

## SUMMARY AND OVERVIEW

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### EXECUTIVE SUMMARY

#### **FY2007 Annual Operating Plan**

Each annual operating plan has as its primary task the charge of allocating resources in a manner that furthers City government's mission namely to provide safe neighborhoods, attractive parks and recreation, affordable housing, efficient transportation, a healthy citizenry, a vibrant and diverse economy and an efficient and effective government. The FY2007 Annual Operating Plan reflects a year of transition. Operating revenues have returned to a pattern of growth and yet the use of one time sources of funds in the previous year as well as increasing costs such as pensions, continue to be challenges to the City's ongoing efforts to develop structurally balanced budgets over the long term.

The Annual Operating Plan for FY2007 allocates a total of \$828.4 million for budgeted obligations and has as its overall objective, the maintenance of the current level of service delivery to constituents. The proposed appropriation amount represents a 3.6% increase over the current year

appropriation of \$799.4 million. With sustenance of the current level of service provision as an overriding objective, development of the FY2007 budget proposal required budget planners to make difficult choices when it came to determining the level of funding to allocate for competing interests.

The major input for delivery of services in a municipal setting is the costs of the personnel required for service delivery. Rather than implement staff reductions that could lead to less effective and responsive services, the FY2007 plan proposes a modest 3% pay increase to be implemented mid-year and no merit increases as a means of holding down costs. Additionally, this budget is targeting salary savings of \$1.0 million through the attrition of managerial and administrative positions that will remain unfilled. Negotiations with health insurance providers were successful in obtaining a reduction in the City's cost of providing this important benefit for its current employees. The City has also begun development of a comprehensive plan to both fund outstanding pension fund obligations and to manage the ongoing accrual of pensions and other post-employment benefits. Further complicating the budget development process is the continuing erosion

## SUMMARY AND OVERVIEW

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of federal government support in critical program areas such as public safety on which this City and others have come to rely. Recommendations in the Annual Operating Plan reflect the effort to reallocate recurring and one-time revenues in such a way that sufficient funds are available for essential services, that operating costs mandated by State statute are properly addressed and fixed costs relating to ordinances and contracts are adequately funded. Some functions have been shifted where it is anticipated that the shift will result in operational efficiencies or budgetary savings. Recommended staff reductions in the operating plan are minimal by design, as budget planners recognized that staff reductions in previous years have practically exhausted the possibilities of more efficiencies to be gained by this method.

Fixed increases that are funded in the FY2007 plan include restoration of lease debt obligations after a one-time respite in FY2006 when these costs were assumed by bond proceeds. Other unavoidable increases include the cost of multiple elections, energy and fuel costs, and contractual increases in the cost of providing medical care for persons housed in the City's correctional institutions.

Rather than lose ground in the effort to make more services available in the community, the FY2007 plan proposes to fund Neighborhood Stabilization officers from local revenues, replacing federal funds that are no longer available. In concert with the development of a comprehensive long range plan for dealing with pension obligations, the FY2007 Plan includes a funding increase to bring the Employee Retirement System contribution up to a level where it matches currently accruing benefits and a separate amount to address judgments against the City in favor of its other two pension systems; i.e. Police and Fire.

Funds available to support the Plan include grants from federal and state agencies, user fees, and locally generated tax revenues. There are no tax increases being relied on in the Operating Plan for FY2007. The shortfall between operating revenues and the FY2007 general fund budget will be made up by applying a portion of the FY2006 operating surplus. In prior years, state reimbursements for property assessments and inmate housing had been arbitrarily reduced. The State has since increased the reimbursement for property assessment and partially restored the reimbursement rate for inmate housing. The

## SUMMARY AND OVERVIEW

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FY2007 Plan incorporates these increases and presumes that the rates will be in effect for the full fiscal year.

Budget allocations reflect the City administration's commitment to retain existing services at the level provided for in the past and as a result, funding is aimed at maintaining the proper staffing level to support this commitment. Funding limitations allow for few new initiatives in the FY2007 Plan. An increase in local use tax revenues are being applied to new initiatives in the Health Department, particularly in the areas of contract management, training and communicable disease control. New programs initiated in prior years are continued provided that their effectiveness has been demonstrated. One example is the special neighborhood cleanup programs in spring and fall supported primarily by the Departments of Streets and Parks, Recreation & Forestry. Another example is the program aimed at reducing the potential for lead poisoning resulting from exposure to dust in older housing stock. The Problem Properties Unit of the City Counselor's Office was expanded in FY2006 and its success in pursuing absentee and negligent property owners

convinced planners to include funding for FY2007. The Fire Department in the previous years' instituted a program to better manage its overtime cost while maintaining its existing level of coverage and funding recommended for FY2007 will allow that program to continue.

The total recommended budget for FY2007 is \$828.4 million, and is funded by a combination of local tax and fee collections, dedicated funds for enterprise functions and project specific grants. The vast majority of local taxes and fees collected are used in support of general fund activities. The remaining local collections are deposited in special accounts due to legal requirements and are used to augment the services provided by the general fund. These special accounts include those containing the Local Use Tax, revenues from gaming operations, the cable television gross receipts tax, and the state subsidy for property tax assessment. In the Plan, these amounts are further broken down by departmental activities using specific projects and accounts, with appropriate distinctions being made between operating and capital expenditures.

## **SUMMARY AND OVERVIEW**

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### **GENERAL FUND OPERATIONS**

The general fund budget in combination with a variety of special funds supports those recurring activities necessary for the operation of City government. These activities are supported by a combination of revenues derived from taxes, fees, fines and intergovernmental transfer payments.

At \$425.3 million, the general fund budget for FY2007 is the largest of the City funding units. In keeping with the City's objective of preserving constituent services, this fund allocates \$236.3 million for public safety functions, including \$140.3 million for police services. The remaining public safety allocation from the general fund provides for fire protection, pre-trial inmate housing, emergency medical services, and various permitting and inspection activities. The general fund budget also dedicates funds for the City's neighborhood stabilization efforts through allocations for solid waste collection and disposal as well as for maintenance of streets, alleys, and parks in the amount of \$47.2 million. Debt service payments for large projects funded through lease arrangements are included in the general fund allocation in the amount of \$27.8 million

which funds the annual lease payments on the Justice Center, Kiel Center, Carnahan Courthouse, Civil Courts Building, St. Louis Marketplace, and the Convention Center/Stadium complex. Funding for state and municipal court functions and county offices account for an additional \$51.0 million. The remainder of the general fund budget can be categorized as paying for maintenance and operations of buildings, health care services and administrative functions.

### **SPECIAL FUNDS**

#### **Federal and State Grants**

The largest category of special funds is grant funds secured from agencies at both the State and Federal level. These funds are included in the adopted Plan in the amount of \$52.9 million, a 4% decrease from the current year in which the City experienced a 9% decrease. The largest portion of these dollars is used to augment locally funded social service programs and is allocated through the Department of Health and the Department of Human Services. Necessary services are

## **SUMMARY AND OVERVIEW**

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delivered by the City either directly or by contract. In FY2007, \$28.1 million in grant funds will be allocated for use by these two departments. Public safety and neighborhood stabilization issues are addressed with miscellaneous project specific grants administered by the Police Department and various Public Safety Block Grants. Grants for this category total \$7.2 million in FY2007. The remaining grant funds supplement the City's efforts in the provision of job training services through the St. Louis Agency for Training and Employment and with providing administrative support for the Law Department and the Community Development Agency.

### **Other Special Revenue Funds**

The remaining special fund allocations in the budget come from revenues which are legally required to be accounted for separately from the general fund. This category includes \$25.8 million expected in FY 2007 from the Local Use Tax. Programs funded by the Local Use Tax include health care, building demolition, affordable housing, police services, and neighborhood preservation. This budget also allocates \$5.4 million from

gaming operations which is used for capital improvements and enhancing the safety of the public visiting the riverfront. Other functions for which special revenue funds are allocated in this budget include maintenance of improvements in Forest Park, demolition of condemned buildings, and repair of sewer lines.

### **DEBT SERVICE FUND**

The budget allocates \$5.4 million in debt service payments on the City's outstanding general obligation debt. The current bonds were issued in 1999 for public safety related capital equipment and improvements. \$45.2 million of those bonds remains outstanding.

### **CAPITAL IMPROVEMENTS**

The budget allocates \$34.9 million in funds dedicated to equipment purchases and capital improvements. The sources include a dedicated sales tax, a portion of the state gasoline tax, gaming admissions receipts, and proceeds from asset sales. Projects funded include infrastructure improvements to bridges, streets, and buildings, as well as debt service on previously approved projects such

## SUMMARY AND OVERVIEW

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as the Justice Center and Civil Courts Building

daily operations of both the Airport and Water Division.

### ENTERPRISE FUND OPERATIONS

The Water Division and the Airport are the City's two enterprise funds. Allocations for these departments are included in the FY2007 budget at \$50.2 million and \$157.4 million, respectively. The Water Division receives its income from the sale of water to residents of the City and recently from the sale of water to other municipalities in the metropolitan area. Approximately 8% of the Water Division's budget or \$4.1 million is devoted to retirement of revenue bonds issued for capital improvements to the divisions' two treatment facilities and an upgrade of the supporting infrastructure. With a budget of \$157.4 million, the Airport is the City's largest cost center and is supported entirely by user fees paid by airlines and concessionaires, along with federal funds. Over 40% of the airport's budget is devoted to debt service payments on revenue bonds for Airport expansion and to facilitate repair and maintenance of the runways and terminals. The remaining budget amounts provide for the administration and

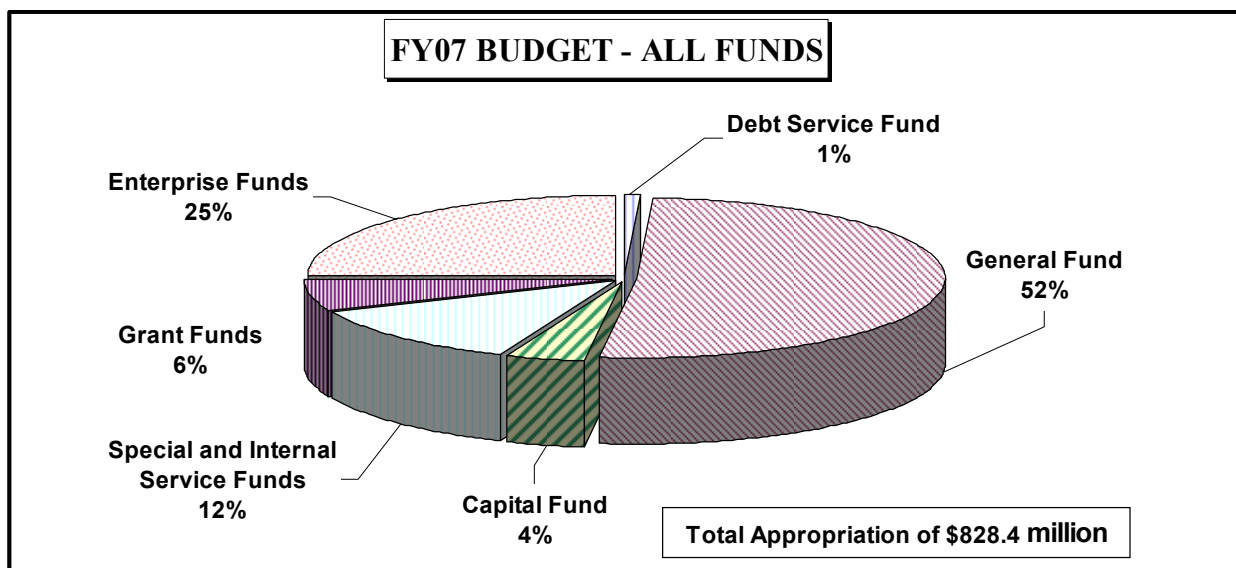
### INTERNAL SERVICE FUNDS

The City's internal service funds are funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies. These include the City's mailroom and employee health benefits fund. Appropriations for these funds total \$0.8 million and \$30.8 million respectively..

## SUMMARY AND OVERVIEW

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The graph below illustrates the total budget distributed among fund groups. The following page presents a summary of highlights of the FY2007 Annual Operating Plan.



## SUMMARY AND OVERVIEW

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### Highlights of the FY2007 Operating Plan

- \$2.4 million increase in contributions to the Employee Retirement System
- \$750,000 in anticipated debt payments for Fire and Police Retirement Systems
- \$5.0 million for a mid-year 3% pay increase for all employees
- \$1.0 million in anticipated salary savings from attrition of managerial and administrative positions
- New health insurance carrier for employees to provide some plan enhancements with no net increase in cost
- Approximate \$900,000 increase in Election Board costs for conducting 4 scheduled elections
- \$250,000 for staffing of Neighborhood Stabilization officers previously funded through expiring public safety block grants
- \$370,000 increase in citywide sewer utility expenses
- Additional inspector for expansion of Housing Conservation Districts
- \$400,000 increase for Health Division contract monitoring, training and enhanced communicable disease control efforts
- \$250,000 in on-going savings through audit of street lighting utility costs
- \$1.0 million increase in fuel costs for City service vehicles
- \$1.0 million increase in building utility costs
- City service vehicle fuel and building utility costs
- \$780,000 increase in Police patrol fuel and building utility costs
- Net increase of \$11.6 million in lease debt costs after one-time debt refunding in FY06
- \$600,000 increase in MSI and Justice Center prisoner medical costs
- Net decrease of 8 general fund positions, with little change in position totals for all funds
- \$250,000 increase to SLATE for expanded job placement efforts

## SUMMARY AND OVERVIEW

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The FY2007 Annual Operating Plan includes funds for scheduled debt service obligations on several large construction projects initiated in previous fiscal years. These include the Justice Center, Kiel Center, and the Convention Center and Stadium Complex. In addition to the construction projects noted above, the City has also issued lease debt for repairs and improvements at the Carnahan and Civil courthouses. Projects developed using Tax Increment Financing, with loan repayments generated by the project are also included in the budget.

Social Service initiatives funded in this budget are found in the Department of Health & Hospitals and the Department of Human Services. These funds whether generated locally or as the result of federal or state grants, have been distributed in a manner which seeks to ensure that these services are available to all who are in need. Health and Human Services program spending is supported by \$14.7 million in local funds and \$28.9 million in federal and state grants.

In the public safety arena, staffing

levels for firefighters and emergency medical service personnel has been retained at the current year's level. Commissioned police officer staffing is funded at the level recommended by the Board of Police Commissioners, an average of approximately 1,335 throughout the year. Sufficient funding is provided for recruits and training to maintain that level. The FY2007 plan allocates additional funds through the Capital Budget for structural improvements in parks and at recreation centers while the general fund budget maintains residential and commercial area street maintenance along with refuse collection and disposal.

The allocation of funds for maintenance of city owned parks has been retained at the current year's level and is contingent on approval of the proposal to transfer lease revenues generated by leasing a city-owned garage in Forest Park to the general fund to continue provision of the current level of maintenance at Forest Park. Recreation programming will continue to be offered at the existing ten centers located throughout the City.

## SUMMARY AND OVERVIEW

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### SUMMARY

In summary, the total budget appropriation for FY2007 is \$828.4 million. Over 50%, or \$425.3 million, is appropriated from general revenue to pay for day-to-day City operations. City general funds are supplemented by approximately \$52.9 million in grants from State and Federal Sources. The remainder of the budget comes from a variety of special and enterprise funds maintained by the City in compliance with specific ordinances or agreements. The allocation of these funds is designed to make the City of St. Louis a more desirable place to live, work and do business. The allocation also reflects the City administration's goal of providing an effective and responsive City government as well as one that can deliver a wide range of recreational, entertaining, and cultural experiences. The service enhancements and infrastructure improvements funded in this plan will promote growth in future economic activity, which will in turn produce tangible results in jobs and fiscal stability.

### GENERAL FUND OVERVIEW

#### Sources of Funds

Revenues supporting the general fund for FY2007 are forecast at \$421.5 million, an increase of 1.2% over the current year's official estimate of \$416.4 million. The rather low percentage increase obscures the fact that the growth in recurring revenues has been sustained in the current year and on a comparative basis, recurring general fund revenues are forecast to be up by a healthy 4.3% when one time revenues such as the draw from the 27<sup>th</sup> pay reserve are factored out. Mid year adjustments to the official estimate have resulted in increased revenue for the current year of approximately \$7.5 million. Unlike last year when mid year adjustments resulted in decreases from the original estimate due to the unexpected cancellation of the professional hockey season and failed revenue initiatives, the FY2007 adjustments were positive and equally important were made to the economically sensitive revenue sources of employment and sales taxes.

Earnings tax, the largest single

## SUMMARY AND OVERVIEW

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revenue producer is predicted to grow at a rate of 3.0% over the revised FY2007 estimate. This estimate takes into account the fact that actual growth on a year-to-date basis is in excess of 7.5% and factors in a reduction due to the expected impact of known major business consolidations as well as the distribution between the individual earnings and business profits portions of the earnings tax. The payroll expense tax, another of the employment based taxes is predicted to increase at a rate 2.5% over the revised estimate. Property tax revenues have historically accounted for approximately 11% of the general fund total and are predicted to do so again in FY2007.

Total property tax revenues are expected to be up by 3.2% over the revised estimate with the real estate portion increase making up for an actual decrease in personal property revenues. The assessed value of real property has consistently grown over the past years, fueled by the ending of tax abatement periods and significant investment in rehabbing former vacant properties.

General sales tax revenues are expected to rise for the third consecutive

year in FY2007 following three successive years in which revenues showed slight decreases in a year to year comparison. The FY2007 estimate presumes a growth rate of slightly less than 2.0%. Revenues from the state of Missouri representing the city's share of automobile sales tax are forecast to remain at its current level. Gasoline tax revenues which are based on a statewide tax and ultimately distributed to local government units have not decreased over the last year in spite of a demonstrable increase in fuel prices and accordingly, the forecast for FY2007 is in line with historical receipts.

Franchise and utility tax revenue is forecast to increase by 2.4%. The forecast incorporates a continuation of the recent decrease in revenues based on sales of communication services along with increases in the revenue from sales of water, electricity and steam. The forecast does not anticipate significant changes in seasonal weather patterns which would impact revenues nor does it incorporate the effect of any rate adjustments that may be approved by the Public Service Commission which is the regulatory body for public

## SUMMARY AND OVERVIEW

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utilities. License fees are predicted to be down in total as a result of the elimination of gross receipts license fees on professional baseball ticket sales. The decrease is mitigated somewhat by expected increases in license fees based on the gross receipts of restaurants, parking garages, and hotels. Voter rejection of a proposed increase in business license fees based on the number employees eliminated the possibility of a \$3.2 million annual increase in license fees, which if approved would have provided a boost of nearly 12% in this revenue category. The FY2007 estimate for license fees also includes a payment to the city representing excess commissions that the License Collector is obliged to remit when the residual commission balance exceeds 200% of the department's operating expenses.

Departmental collections for fees and permits is again expected to be higher due to the increasing demand for building and occupancy permits reflecting the continued investment in the city and validating the concomitant rise in real estate values that is included in the estimate for property tax receipts. An important subset

of departmental collections which is forecast to rise by nearly 3.0% in FY2007 over the revised estimate is the category of court fines and fees. This category includes traffic offenses, parking and other ordinance violations, and the associated court cost.

### **Uses of Funds**

The FY2007 Annual Operating Plan includes a General Fund budget proposal that can best be described as one that maintains basic service levels established in earlier years by reallocation of the available resources into areas that are under the most pressure for increased funding. The general fund budget accommodates a significant increase in debt service obligations brought about by the use of debt instruments to provide budget relief in FY2006. Simultaneous and unbudgeted increases in the cost to provide natural gas heating services for city facilities and in the cost of gasoline and diesel fuel that was absorbed in the FY2006 budget are planned for and included in the proposed general fund budget. Working within these constraints, the budget proposal is designed to ensure that departments whose mission it is to

## SUMMARY AND OVERVIEW

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deliver citizen services are provided with the necessary resources to fulfill their respective missions. These resources have been allocated in a manner that is deemed sufficient to meet the aforementioned debt service requirements as well as other necessary contractual obligations.

The proposal contains minimal increases in the category of personal services costs as FY2006 concluded the second year of a two year pay plan. The FY2007 proposal was developed with the expectation that the city would forego introduction of a new pay plan for civil service and other employees. However, later modifications during the budget process provided for a 3% cost of living increase to be implemented mid-year. Helping offset the cost of the pay increase is a \$1.0 million in anticipated salary savings from an initiative to reduce managerial and administrative positions through attrition. With the City entering a contract with a new provider for employee health insurance, the costs for providing this coverage will be held constant in FY2007. Recommended contributions to the city's three retirement systems is up by 10% as a result of a

decision to fully fund normal costs of the Employee Retirement System and to maintain the existing level of funding to the Police and Fire system, pending further study and possible changes in the funding methodology and or benefit structure.

The proposed allocations to departments providing the majority of constituent's services have been made in such a manner as to maintain the current level of service wherever possible. Where reductions in funding to operating departments are included in the plan, they are minimal and made in the expectation that operational efficiencies will be put in place to minimize any negative impact on citizens and their expectations. The recommended allocation for the Department of Streets will allow for maintaining existing schedules for residential and commercial area street cleaning. While funding is proposed that will provide for refuse collection schedules to be maintained at their current twice weekly pace, the Refuse Division plans to modify its use of available disposal sites to take advantage of disparate pricing at the sites when possible. Funding for towing and disposal of abandoned vehicles is maintained at the

## SUMMARY AND OVERVIEW

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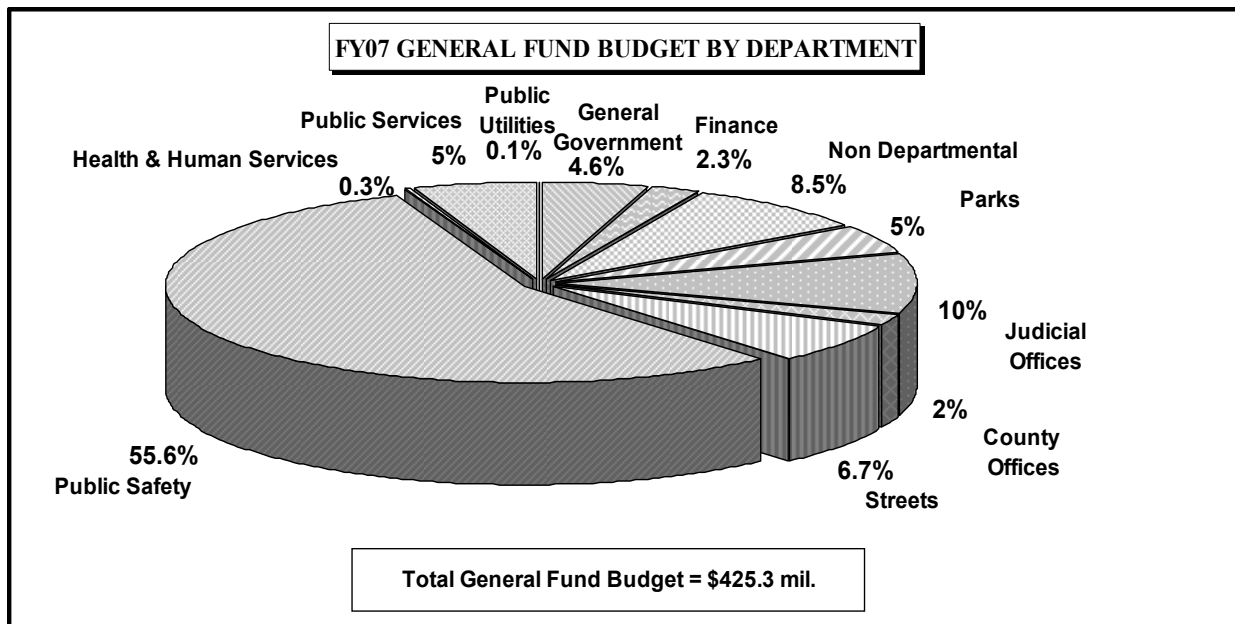
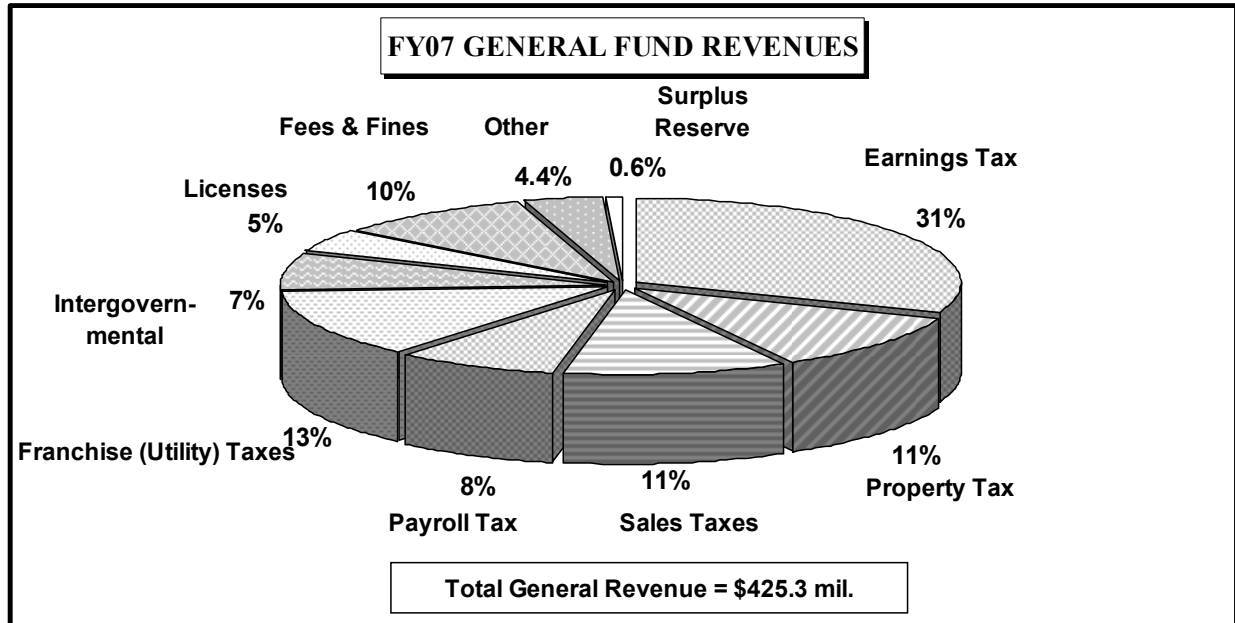
current level with services being performed by both city personnel and outside contractors. For the Department of Parks, Recreation, and Forestry, the plan contains sufficient funding to continue maintenance of vacant lots and buildings on a year round basis, with creased frequency of visits during the growing season. Also included in the plan under the auspices of the Parks Division is the requested amount of funding to operate and maintain a greenhouse to provide plants for city parks and flower beds along with funds to provide maintenance and address visitor safety on approximately 3,000 acres of park land which includes one hundred-sixty athletic fields and ten recreation centers. Recommended allocations for the Department of Public Safety dictate that the Fire Department must continue the practice of selectively de-activating fire companies in certain multiple company firehouses

when staffing would otherwise require excessive use of overtime. Funding for maintaining the current level of staffing for safety inspections of buildings and construction sites is recommended for the upcoming budget year. Funding for Police services as proposed is sufficient in the general fund and in special funds in order to maintain all current activities and to provide a level of staffing that is acceptable to the Board of Police Commissioners.

The proposed general fund budget is in balance with available revenues. Available revenues include normally recurring general fund revenues along with a portion of the expected operating surplus from the current fiscal year, after consideration of amounts needed to propel the city toward its goal of maintaining a fund balance equal to five percent of the general fund budget.

## SUMMARY AND OVERVIEW

The following charts illustrate the sources and uses of funds.



## SUMMARY AND OVERVIEW

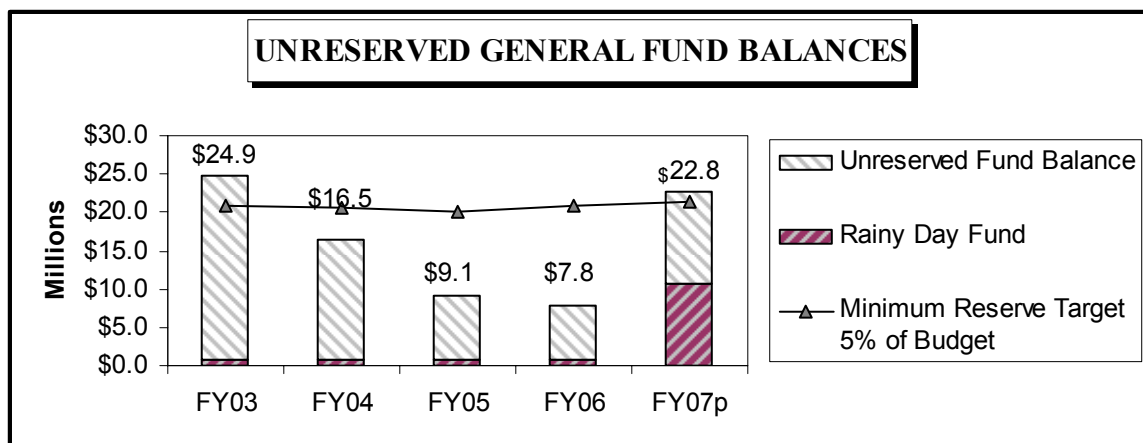
### Projected Operating Results

The adjacent table presents the projected general fund operating results for FY07. To maintain a balanced budget, the \$421.5 million in projected revenue is supplemented with \$3.75 million in anticipated surplus from the current fiscal year. The surplus for FY06 has been estimated at approximately \$10 million. By ordinance, one half of this amount is allocated to the City's Capital fund. Of the remaining \$5.0 million, \$3.75 million is being appropriated in the FY07 budget and \$1.25 million will accrue to the City's general fund balance in an effort to achieve the City's goal of maintaining unreserved general fund balances of 5% of the general fund budget.

#### FY07

##### General Fund Projected Operating Results

Estimated Revenue	\$ 421,555,500
Use of Operating Surplus	<u>\$ 3,750,000</u>
Total Available	
For Appropriation	\$425,305,500
General Fund	
Appropriation	\$425,267,499
Operating Balance	<u>\$ 38,001</u>



In the FY06 Budget, \$10 million was budgeted to replenish available reserves, indicated by growth in the Rainy Day Fund. While the FY07 preliminary unreserved balance is projected to exceed the minimum 5% target, \$3.75 million of this amount has been allocated to help maintain a balanced budget in FY07.

## SUMMARY AND OVERVIEW

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### OTHER FUNDS

#### Projected Operating Results

While much of the budgetary focus is placed on discretionary spending of the General Fund, the operating balances of other funds can also have an impact on budget development. In the Special Funds category, the Local Use Tax Fund is anticipated to have an additional \$3.0 million in surplus funds from previous years appropriated in FY07, thus supplementing projected use tax receipts. Assessment fund balances can vary with timing of payments from the state. A negative operating balance from the previous fiscal year is remedied in part by a \$240,000 increase in the general fund subsidy to that office, bringing the total subsidy to \$1.7 million. Communications Fund revenues that are not budgeted for operations of the Communications Division are allocated as a supplement to General Fund revenues in the amount of \$500,000. Riverboat gaming fund revenues have seen a gradual decline in recent years. A slight decline in the gaming fund balance results from holding public safety expenses funded with these revenues constant in FY07. In the Enterprise Funds, the Water

Division's budget is basically crafted to meet projected revenues, whereas the Airport generally formulates a budget that is less than projected revenues in order to address any contingencies or emergency expenditures that may arise during the fiscal year. Under the Internal Service Funds, The Employee Benefits Fund will continue its amortization payments on a deficit that accrued when the system was self-insured. With a projected deficit of \$2.8 million at the end of FY06, it is anticipated that this amount will be cut in half in FY07 and totally eliminated in FY08. Finally, the Capital Fund is programmed to benefit by receiving one-half of any General Fund Operating surplus from the previous year. The amount from FY06 has been estimated at \$5.0 million. Just over \$4.0 million of this amount has been incorporated into the City's Capital Fund budget, a further discussion of which follows.

### CAPITAL IMPROVEMENTS

The City of St. Louis Capital Committee has developed a five-year Capital Improvements Plan containing projects that have an estimated cost of \$385 million. These projects will be funded through a combination

## SUMMARY AND OVERVIEW

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of local, state and federal funds. Over the five year period, an estimated \$195 million will be appropriated for cash payments and debt service requirements, and in some cases the local matching share for road and bridge repair projects and major flood protection projects. The FY2007 Capital Budget funds the first year of the plan with a recommended appropriation of \$34.9 million. Sales taxes for capital improvement will generate \$18.3 million in FY2007 or approximately 53% of the total revenue. Other revenues supporting the capital budget include \$0.3 million from asset sales, \$2.7 million from projected gaming revenues, \$1.5 million from court fees, \$0.6 million from gasoline tax revenues and \$11.1 million from the general fund.

Capital expenses planned for FY2007 include those for projects designed to further the City's goal of stabilizing neighborhoods as well as increasing the efficiency of service delivery through replacement of vital equipment required to deliver those services. Also included are funds necessary to comply with federal mandates regarding environmental hazards such as

treatment of former underground tank sites. Funding policy established by the Capital Committee sets a high priority on leveraging non-city funds to the maximum extent possible to effect major improvements to roads and bridges. For FY2007, funding for major road and bridge projects will be absorbed by a revenue bond issue which will provide the sum of \$6.3 million in addition to the capital budget appropriation.

### **Ward Improvements - \$7.9 million**

Each of the City's 28 wards will be allocated \$281,700 for projects such as neighborhood park improvements, street resurfacing, street lighting enhancements, and refuse container replacement. Actual projects were recommended by the ward alderman subject to approval by the Board of Estimate and Apportionment.

### **Major Parks & Recreation Centers – \$3.8**

**million:** The City's six major parks, Forest, Tower Grove, Carondelet, Fairgrounds, O'Fallon, and Willmore will share \$3.3 million. Planned projects include roadway repairs, equipment replacement and

## SUMMARY AND OVERVIEW

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improvements to tennis courts. A total of \$0.5 million will be expended from the Recreation Centers account for demolition of dangerous structures at the West End Community Center.

### **Facility Improvements - \$15.7 million:**

Funds categorized as being for facility improvements will service previously incurred debt for construction and renovations of several City facilities. New projects for FY2007 include renovations at Police headquarters, Medium Security Institution, Municipal Garage, and the Refuse Division facilities. In addition, improvements are planned for the city facilities housing the Juvenile Detention Center, including replacement of the heating and cooling system.

### **Equipment Replacement - \$3.2 million:**

Planned expenditures include replacement of rolling stock necessary to the refuse collection, street cleaning, and animal regulation functions. A line of credit has been obtained and will be used for a replacement of rolling stock up to the existing available balance. Replacement and upgrading of computer hardware and the 911 emergency response system is included.

### **Bridge & Street Improvements - \$1.0**

**million:** Bridge and street improvement projects are funded in conjunction with the federal ISTEA program. The City's share of those projects averages 20% of the total cost. For FY2007, the required funding for these projects will come from both the City appropriation and a revenue bond issue.

## **BUDGET FORMAT**

The remainder of this budget document is divided into the following sections:

**Budget Overview:** This section provides a more detailed discussion of the City's projected revenues and expenditures. The discussion includes an overall economic outlook for the City and includes summary tables illustrating projected revenues and appropriations for all funds.

**Department and Program Budgets:** This section is divided by major City departments. Each department begins with a summary of budget statistics and is followed by division and program budgets within each department. The division and program budgets are presented in a format that contains narrative

## SUMMARY AND OVERVIEW

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information about respective programs and identifies outputs and projected performance levels.

**Capital Improvements:** The City's FY2007 Capital Budget and Capital Improvement Plan are presented in this section. A detailed discussion of the five-year plan and description for each capital project are being submitted under a separate cover.

**Appendix:** The appendix includes supplemental information about the City and its budget including debt issues, the budget process, trends in personnel, etc.

## **SUMMARY AND OVERVIEW**

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### **BUDGET OVERVIEW**

This section presents summary information on the FY2007 Annual Operating Plan for the City of St. Louis. The discussion that follows describes the economic outlook for the City and region in the context of both the national and state perspective and presents a comprehensive review of the general operating fund budget as well as for enterprise and special revenue funds. Also presented in this section are summary tables of sources and uses of funds for all fund groups and descriptions of the major sources of revenue for FY2007.

### **ECONOMIC OUTLOOK**

#### **U. S. Economic Outlook**

On the national scene, employment continues to grow, personal income is rising at a strong rate, and corporate profits are at an all time high. This all occurred despite the setbacks caused by hurricanes in the southeast that brought in their aftermath a devastating loss of jobs, property damage, and higher energy prices. Even though inflation rates are rising, they remain low by historical standards, especially when volatile energy

prices are excluded.

The U.S. economy is projected to continue its growth in Calendar Year 2007, though a shift from growth in consumer spending to growth in business investment is expected as the current expansion nears the maturity stage of its cycle. For Calendar Year 2007, real Gross Domestic Product (GDP) is expected to rise by 3.8%. Employment is expected to grow by about two million jobs, or an average of 1.5%, while the rate of unemployment is expected to remain below 5%. Personal income is expected to increase by over 6%, indicative of continued growth in both salaries and wage earnings.

Consumer expenditures are anticipated to increase by 5.6% with much of this increase due to relatively high prices for gasoline and other energy products. Consensus economic forecasts call for corporations to continue to enjoy profit gains, but at a slower rate of growth as labor markets tighten and interest rates rise from current levels. These overall trends are expected to continue into Calendar Year 2007.

## SUMMARY AND OVERVIEW

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### **The Missouri Economy and Outlook**

The Missouri economy exhibited growth in Calendar Year 2006 and is projected to show stable growth over the immediate future that incorporates this budget horizon. During the first three quarters of Calendar Year 2006, employment grew by an average of approximately 30,000 jobs, and employment growth is steadily increasing driven by job gains mainly in the service industries. Personal income over this same period has grown by 5.6%, influenced heavily by growth in wages and salaries of over 6%. On the less optimistic side, Missouri will experience negative impacts relative to jobs in 2006 due to the base realignment and closure recommendations. The State is expected to lose over 3,000 jobs directly and even more jobs indirectly as the effect of the base closure recommendations ripple through the economy. Further, Missouri's manufacturing and automobile industries continue to struggle with challenges related to foreign competition, high energy prices, and reduced consumer demand. In spite of these obstacles, personal income is expected to grow at a rate in excess of 6% in Missouri in 2007 and to grow at a less impressive but still respectable rate of 4.1% in Calendar Year 2007.

### **St. Louis Economic Outlook**

The City of St. Louis is the core of an eleven county metropolitan area covering parts of both Missouri and Illinois, and as such is the employment and entertainment center of an area containing a population of 2.6 million residents. It is also the office center of the region with over 24 million square feet of office space. The metropolitan area and the City are major industrial centers in the Eastern Missouri-Southwestern Illinois area with a broad range of industries. Although the distribution of jobs across industry sectors has resulted in a decline in the City's share, the City remains a significant source of employment in the region with nearly 20% of all the jobs. Job growth in the City has been concentrated in the service sector since the City is growing as a service center and the outlook is for long-term employment growth in the areas of medical, business, and recreational services, as well as in education and tourism.

Signs of economic improvement are also evident in retail activity. Retail sales in the City of St. Louis proper grew at a rate of 2.5 % during the twelve month period ending April 2006 following on the heels of a 2.0%

## SUMMARY AND OVERVIEW

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growth in the immediately preceding 12 month period. Property values continue to increase, with the latest information showing an increase of 9.1% in commercial values over a one year period. This trend is expected to continue as the City for the second year in a row has recorded record numbers of building permits. More importantly, the trend in population loss has stopped and by some measures has actually been reversed with the City showing a modest increase in population from the last official census. These positive changes are indicative of continuing investment in the City and are expected to solidify and enhance economic growth.

Through the provision of City services, maintenance of infrastructure and promotion of tourism and business development, the City will be assured of its continuing role as the region's economic center.

## FY2007 OPERATING PLAN

### MAJOR FUND TYPES

#### Governmental Funds

Governmental funds are those through which most governmental functions are financed. Governmental fund categories include:

**General Fund** - the City's main operating fund through which the majority of City services such as police and fire protection, emergency medical services, and parks and streets maintenance are funded. Most tax receipts and other revenues not required to be accounted for in another fund are considered general revenue. General Fund expenditures account for about one-half of all City expenditures.

**Special Revenue Funds** - used to account for specified taxes, fees, grants or other sources of revenue that are dedicated by ordinance for a specific purpose. Funds contained in this category include government grants, the Local Use Tax fund, the Convention and Tourism fund, Gaming Fund, Assessment fund, Lateral Sewer Fund, Tax Increment Financing Funds, Transportation Fund and other miscellaneous special funds.

## SUMMARY AND OVERVIEW

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**Debt Service Fund** - used to account for revenues and expenses related to the City's existing general obligation (property tax supported) debt.

**Capital Project Funds** – used to account for revenues and expenditures related to capital equipment purchases, public infrastructure improvements or public projects. The sources of capital funds vary from a dedicated ½ cent sales tax, to proceeds from bond issues and appropriations from the general fund.

### **Proprietary Funds**

Proprietary funds are used to account for activities that are similar to those found in the private sector. Proprietary fund categories include:

**Enterprise Funds** – used to account for funds operated similar to private business type activities; this would include the Airport and City Water Division. The Meter Division is also operated as an enterprise fund and is separately appropriated.

**Internal Service Funds** - used to account for activities that provide services for certain City

programs and operations. These include the City mailroom, worker's compensation and employee health insurance programs.

### **Fiduciary Funds**

Fiduciary Funds are used to account for resources held for the benefit of individuals or units outside of the City. The City serves as a trustee or has fiduciary responsibilities for the assets. These include the City's various pension funds. While contributions to these funds are appropriated, the activities of the funds themselves are not part of the appropriation process.

Detailed descriptions of funds within each of these fund groups can be found in the glossary in the Appendix of this document.

The tables on the following pages contain summary budget information for all funds. A more detailed discussion of the general fund budget and descriptions of trends in major sources of revenue follow.

**FY07 REVENUE SUMMARY - ALL FUNDS**  
(in millions)

	FY05 Actual	FY06 Revised	FY07 Budget	Percent Change FY06-07
<b>General Fund</b>				
Earnings Tax	\$122.9	\$128.2	\$131.7	2.8%
Property Tax	44.4	45.1	46.6	3.2%
Sales Tax	46.0	47.2	47.6	0.9%
Payroll Tax	31.6	34.5	35.2	2.1%
Franchise (Utilities) Taxes	52.1	53.9	55.2	2.4%
License Fees	21.4	22.5	19.0	-15.7%
Grants & Intergovernmental Revenues	26.9	25.7	29.8	16.3%
Department User Fees and Fines	39.8	41.2	41.4	0.5%
Transfers	14.6	28.1	15.1	-46.3%
	<u>\$399.7</u>	<u>\$426.3</u>	<u>\$421.6</u>	<u>-1.1%</u>
<b>Special Revenue Funds</b>				
Property Tax	\$1.5	\$1.6	\$1.6	0.4%
Franchise (Utilities) Taxes	4.4	4.5	4.5	0.0%
Local Use Tax	24.7	25.8	25.8	0.0%
Other Taxes	14.1	11.6	11.6	0.4%
Grants & Intergovernmental Revenues	65.0	62.7	60.2	-3.9%
Department User Fees and Fines	9.4	12.7	13.2	3.6%
Transfers	1.3	1.5	1.7	16.5%
Fund Balances and Other Resources	7.1	2.4	4.2	72.6%
	<u>\$127.5</u>	<u>\$122.7</u>	<u>\$122.7</u>	<u>0.1%</u>
<b>Debt Service Fund</b>				
Property Tax	\$5.9	\$5.7	\$5.7	0.0%
<b>Capital Improvement Funds</b>				
1/2 Cent Sales Tax	\$16.7	\$17.2	\$17.3	0.9%
Metro Parks Sales Tax	1.5	1.6	1.6	0.9%
Grants & Intergovernmental Revenues	0.6	0.6	0.6	0.8%
Department User Fees and Fines	1.3	1.5	1.5	0.0%
Transfers	9.5	5.6	9.7	74.1%
Other Resources	1.0	3.0	0.7	-78.3%
Balances / Surpluses Previous Years	2.7	0.5	4.1	801.8%
	<u>\$33.4</u>	<u>\$29.9</u>	<u>\$35.5</u>	<u>18.5%</u>
<b>Enterprise Funds</b>				
Franchise (Utilities) Taxes	\$4.1	\$4.2	\$4.3	2.4%
Enterprise Revenues	176.2	191.1	210.3	10.0%
	<u>\$180.3</u>	<u>\$195.3</u>	<u>\$214.6</u>	<u>9.9%</u>
<b>Internal Service Funds</b>				
Department User Fees and Fines	32.7	34.1	33.1	-3.2%
<b>Total General Appropriation</b>	<u><u>\$779.4</u></u>	<u><u>\$814.0</u></u>	<u><u>\$833.1</u></u>	<u><u>2.3%</u></u>
<b>Funds Appropriated Separately</b>				
Community Development (CDBG) & Housing Grants *	\$28.0	\$28.7	\$25.4	-11.3%
Street Improvement Fund	4.6	4.4	4.4	0.0%
Transportation Fund Revenues	25.4	28.9	28.9	0.0%
Parking Division Revenues	16.6	12.4	12.8	3.2%
(* excluding CDBG admin. portion included in general appropriation)	<u>\$74.5</u>	<u>\$74.3</u>	<u>\$71.5</u>	<u>-3.8%</u>
<b>Total All Sources</b>	<u><u>\$853.9</u></u>	<u><u>\$888.4</u></u>	<u><u>\$904.6</u></u>	<u><u>1.8%</u></u>

**FY07 BUDGET SUMMARY - ALL FUNDS**  
(in millions)

Fund	FY05 Actual	FY06 Budget	FY07 Budget	Percent Change FY06-07
<b>General Fund</b>	\$399.4	\$416.4	\$425.3	2.1%
<b>Special Revenue Funds</b>				
Assessment Fund	\$3.9	\$4.1	\$4.1	-1.3%
Convention and Tourism Fund	\$4.1	\$4.3	\$4.5	3.5%
Convention and Sport Facility Trust Fund	\$5.3	\$5.8	\$6.0	3.0%
Lateral Sewer Fund	\$3.1	\$3.2	\$3.1	-1.3%
Cable Communications Fund	\$1.5	\$1.3	\$1.3	1.7%
Port Authority	\$5.2	\$3.1	\$2.6	-18.0%
Riverfront Gaming Fund	\$4.9	\$5.0	\$4.3	-13.9%
Local Use Tax Fund	\$29.0	\$26.0	\$28.9	11.2%
Other Special Revenue Funds	\$15.3	\$15.0	\$15.9	5.8%
	\$72.1	\$67.9	\$70.7	4.1%
<u>Grant Funds</u>				
St. Louis Agency on Training and Employment	\$12.1	\$8.2	\$8.7	5.2%
Community Dev. Planning & Administration	\$5.0	\$4.8	\$4.4	-9.2%
Health and Human Services	\$13.4	\$12.9	\$13.4	4.3%
Police Department	\$6.2	\$6.0	\$6.2	4.6%
Other Grants	\$15.5	\$23.3	\$19.8	-14.9%
	\$52.2	\$55.2	\$52.5	-4.8%
<b>Debt Service Fund</b>	\$5.7	\$5.7	\$5.8	3.1%
<b>Capital Funds</b>	\$33.7	\$31.0	\$34.9	12.5%
<b>Enterprise Funds</b>				
Water Division	\$42.7	\$50.0	\$50.2	0.3%
Airport Authority	\$159.0	\$141.6	\$157.4	11.1%
	\$201.7	\$191.6	\$207.5	8.3%
<b>Internal Service Funds</b>				
Mail Room	\$0.6	\$0.8	\$0.8	-2.6%
Employee Benefits Fund	\$30.6	\$30.8	\$30.8	0.2%
	\$31.2	\$31.6	\$31.7	0.1%
<b>Total General Appropriation</b>	<b>\$796.0</b>	<b>\$799.4</b>	<b>\$828.4</b>	<b>3.6%</b>
Separate Appropriations <sup>1</sup>				
Community Development (net planning/admin)	\$28.9	\$29.8	\$26.4	-11.3%
Street Improvement Fund	\$4.6	\$4.6	\$4.6	0.0%
Transportation Trust Funds	\$25.5	\$28.9	\$28.9	0.0%
Parking Division Funds	\$16.6	\$12.4	\$12.8	3.5%
	\$75.5	\$75.7	\$72.8	-3.9%
<b>Total Appropriations</b>	<b>\$871.5</b>	<b>\$875.1</b>	<b>\$901.2</b>	<b>3.0%</b>

<sup>1</sup> CDBG & housing grants and Street Improvement funds appropriations are for calendar years 2004, 2005, and 2006 and are appropriated separately. Spending for any one grant year appropriation may occur over a period of several years.

**FY07 BUDGET - ALL FUNDS  
BY DEPARTMENT**

Department		General Fund	Special Funds Revenue	Grant	Enterprise Funds	Total Funds
<b>GENERAL GOVERNMENT</b>						
110	Board of Aldermen	2,449,595	-	-	-	2,449,595
120	Mayor's Office	1,972,767	0	-	-	1,972,767
121	St. Louis Agency on Training and Emp.	249,771	-	8,657,307	-	8,907,078
123	Department of Personnel	2,857,852	-	-	-	33,706,458
	Employee Benefits Fund	-	30,848,606	-	-	-
124	Register	168,053	-	-	-	168,053
126	Civil Rights Enforcement Agency	358,705	-	56,872	-	415,577
127	Information Technology Service Agency	5,188,356	140,840	-	-	5,329,196
137	Budget Division	646,422	-	-	-	646,422
139	City Counselor	5,683,835	254,680	826,943	-	6,765,458
141	Planing and Urban Design	-	-	1,484,188	-	1,484,188
142	Community Development Administration	-	-	2,899,657	-	2,899,657
143	Affordable Housing Commission	-	5,498,621	-	-	5,498,621
	<b>Subtotal</b>	<b>19,575,356</b>	<b>36,742,747</b>	<b>13,924,967</b>	<b>-</b>	<b>70,243,070</b>
<b>FINANCE</b>						
160	Comptroller	7,565,566	23,114	-	-	11,265,373
	Lateral Sewer Fund	-	62,664	-	-	-
	Tax Increment Financings	-	2,189,131	-	-	-
	Trustee Lease Fund	-	871,300	-	-	-
	Grant and Other Funds	-	-	553,598	-	-
162	Municipal Garage	283,353	-	-	-	283,353
163	Microfilm	331,178	-	-	-	331,178
170	Supply Commissioner	594,942	-	-	-	594,942
171	Multigraph	1,084,257	-	-	-	1,084,257
172	Mail Room	-	813,434	-	-	813,434
180	Assessor	-	4,061,253	-	-	4,061,253
	<b>Subtotal</b>	<b>9,859,296</b>	<b>8,020,896</b>	<b>553,598</b>	<b>-</b>	<b>18,433,790</b>
<b>NON-DEPARTMENTAL</b>						
190	City Wide Accounts	36,075,894	-	-	-	43,486,894
	Convention and Tourism Fund	-	4,461,000	-	-	-
	Riverfront Gaming Fund	-	2,950,000	-	-	-
	<b>Subtotal</b>	<b>36,075,894</b>	<b>7,411,000</b>	<b>-</b>	<b>-</b>	<b>43,486,894</b>
<b>PARKS, RECREATION &amp; FORESTRY</b>						
210	Director, Parks, Recreation and Forestry	408,065	2,100,000	-	-	2,508,065
213	Division of Recreation	2,013,353	63,910	-	-	2,077,263
214	Division of Forestry	6,615,912	126,739	-	-	6,742,651
220	Division of Parks	9,316,239	600,000	115,781	-	10,032,020
250	Tower Grove Park	696,000	-	-	-	696,000
	<b>Subtotal</b>	<b>19,049,569</b>	<b>2,890,649</b>	<b>115,781</b>	<b>-</b>	<b>22,055,999</b>
<b>JUDICIAL OFFICES</b>						
310	Circuit Clerk	1,007,718	-	-	-	1,007,718
311	Circuit Court	7,538,225	-	-	-	7,538,225
312	Circuit Attorney	5,863,110	2,016,959	694,203	-	8,574,272
313	Board of Jury Supervisors	1,458,476	-	-	-	1,458,476
314	Probate Court	98,420	-	-	-	98,420
315	Sheriff	7,913,429	-	-	-	7,913,429
316	City Courts	2,681,129	-	36,493	-	2,717,622
317	City Marshal	1,247,771	33,691	-	-	1,281,462
320	Probation and Juvenile Detention Center	14,984,750	794,657	-	-	15,779,407
321	Circuit Drug Court	474,824	-	-	-	474,824
	<b>Subtotal</b>	<b>43,267,852</b>	<b>2,845,307</b>	<b>730,696</b>	<b>-</b>	<b>46,843,855</b>
<b>COUNTY OFFICES</b>						
330	Tax Equalization Board	10,400	-	-	-	10,400
331	License Collector	-	5,990,000	-	-	5,990,000
333	Recorder of Deeds	2,359,486	-	-	-	2,359,486
334	Board of Election Commissioners	3,077,245	-	-	-	3,077,245
335	Medical Examiner	1,671,789	-	230,000	-	1,901,789
340	Treasurer	657,681	-	-	-	657,681
	<b>Subtotal</b>	<b>7,776,601</b>	<b>5,990,000</b>	<b>230,000</b>	<b>-</b>	<b>13,996,601</b>

**FY07 BUDGET - ALL FUNDS  
BY DEPARTMENT**

Department		General Fund	Special Funds Revenue	Grant	Enterprise Funds	Total Funds
<b>PUBLIC UTILITIES</b>						
401	Cable Communications	-	1,192,660	-	-	1,192,660
414	Soulard Market	262,033	-	-	-	262,033
415	Water Division	-	-	-	50,154,522	50,154,522
420	Airport Authority	-	-	-	157,389,549	157,389,549
	<b>Subtotal</b>	<b>262,033</b>	<b>1,192,660</b>	<b>-</b>	<b>207,544,071</b>	<b>208,998,764</b>
<b>STREETS</b>						
510	Director of Streets	947,124	409,648	-	-	4,409,647
	Lateral Sewer Fund	-	3,052,875	-	-	-
511	Traffic and Lighting	7,407,705	-	-	-	7,407,705
513	Auto Towing and Storage	1,698,458	-	-	-	1,698,458
514	Street Division	5,463,859	-	-	-	5,463,859
516	Refuse Division	12,872,081	1,052,780	314,645	-	14,239,506
520	Port Authority	-	2,552,720	-	-	2,552,720
	<b>Subtotal</b>	<b>28,389,227</b>	<b>7,068,023</b>	<b>314,645</b>	<b>-</b>	<b>35,771,895</b>
<b>PUBLIC SAFETY</b>						
610	Director of Public Safety	678,000	-	-	-	678,000
611	Fire Department	49,334,670	25,000	342,961	-	49,702,631
612	Firefighter's Retirement System	6,539,172	-	-	-	6,539,172
616	Excise Commissioner	348,309	-	-	-	348,309
620	Building Commissioner	7,004,326	8,924,843	2,648,812	-	18,577,981
622	Neighborhood Stabilization	2,146,628	-	1,021,440	-	3,168,068
632	Medium Security Institution	15,510,437	-	-	-	15,510,437
633	City Justice Center	14,439,095	-	-	-	14,439,095
650	Police Department	131,795,210	5,205,500	6,138,000	-	143,138,710
651	Police Retirement System	8,498,315	-	-	-	8,498,315
	<b>Subtotal</b>	<b>236,294,162</b>	<b>14,155,343</b>	<b>10,151,213</b>	<b>-</b>	<b>260,600,718</b>
<b>HEALTH AND HOSPITALS</b>						
700	Director, Health and Hospitals	-	1,001,725	924,575	-	1,926,300
710	Health Commissioner	-	1,285,328	-	-	1,285,328
711	Communicable Disease Control	-	2,307,203	8,903,705	-	11,210,908
714	Animal Regulation Center	-	878,761	-	-	878,761
715	Community Sanitation and Vector Control	-	2,216,256	1,592,810	-	3,809,066
716	Lead Poisoning Control	-	412,311	1,413,329	-	1,825,640
719	Immunization Service	-	546,639	307,215	-	853,854
737	Health Care Trust Fund	-	5,000,000	0	-	5,000,000
	<b>Subtotal</b>	<b>0</b>	<b>13,648,223</b>	<b>13,141,634</b>	<b>-</b>	<b>26,789,857</b>
<b>HUMAN SERVICES</b>						
800	Director of Human Services	1,321,484	605,389	14,946,972	-	16,873,845
	<b>Subtotal</b>	<b>1,321,484</b>	<b>605,389</b>	<b>14,946,972</b>	<b>-</b>	<b>16,873,845</b>
<b>BOARD OF PUBLIC SERVICE</b>						
900	President, Board of Public Service	2,944,237	199,622	-	-	3,143,859
903	Facilities Management	9,720,832	-	-	-	9,720,832
910	Equipment Services Division	10,530,070	-	-	-	10,530,070
930	Soldier's Memorial	200,886	-	-	-	200,886
	<b>Subtotal</b>	<b>23,396,025</b>	<b>199,622</b>	<b>-</b>	<b>-</b>	<b>23,595,647</b>
<b>CAPITAL IMPROVEMENTS FUND</b>						
		-	34,903,245	-	-	34,903,245
<b>DEBT SERVICE FUND</b>						
		-	5,845,331	-	-	5,845,331
<b>TOTAL BUDGET</b>		<b>\$425,267,499</b>	<b>\$141,518,435</b>	<b>\$54,109,506</b>	<b>\$207,544,071</b>	<b>\$828,439,511</b>

**FY07 BUDGET SUMMARY - ALL DEPARTMENTS  
BY FUND**

Fund	Department		FY05 Actual	FY06 Budget	FY07 Budget
General Fund					
1010	110	Board of Aldermen	2,275,613	2,398,460	2,449,595
1010	120	Mayor's Office	1,736,157	1,932,760	1,972,767
1010	121	St Louis Agency on Training & Employment	-	-	249,771
1010	123	Department of Personnel	2,809,673	2,853,946	2,857,852
1010	124	Register	145,446	161,445	168,053
1010	126	Civil Rights Enforcement Agency	349,846	360,720	358,705
1010	127	Information Technology Services Agency	4,648,153	5,196,909	5,188,356
1010	137	Division of the Budget	631,043	591,289	646,422
1010	139	City Counselor	5,595,639	5,694,424	5,683,835
1010	160	Comptroller	7,279,130	7,428,064	7,565,566
1010	162	Municipal Garage	247,091	287,139	283,353
1010	163	Microfilm Section	300,915	337,853	331,178
1010	170	Supply Commissioner	578,427	600,174	594,942
1010	171	Multigraph Section	1,062,592	971,005	1,084,257
1010	190	City Wide Accounts	29,906,769	24,460,634	36,075,894
1010	210	Director, Parks, Recreation & Forestry	399,997	424,507	408,065
1010	213	Division of Recreation	1,976,723	2,006,830	2,013,353
1010	214	Division of Forestry	6,311,894	6,928,803	6,615,912
1010	220	Division of Parks	8,881,634	9,463,947	9,316,239
1010	250	Tower Grove Park	696,000	696,000	696,000
1010	310	Circuit Clerk	1,200,048	1,179,572	1,007,718
1010	311	Circuit Court (General)	6,415,231	7,178,047	7,538,225
1010	312	Circuit Attorney	5,414,096	5,880,335	5,863,110
1010	313	Board of Jury Supervisors (Cir. Judges)	1,362,280	1,463,964	1,458,476
1010	314	Probate Court (Probate Judge)	88,078	78,000	98,420
1010	315	Sheriff	7,396,063	8,037,208	7,913,429
1010	316	City Courts	2,601,362	2,775,574	2,681,129
1010	317	City Marshal	1,206,309	1,241,582	1,247,771
1010	320	Probation Dept. & Juvenile Detention Ctr	14,424,290	14,488,543	14,984,750
1010	321	Circuit Drug Court	131,818	296,655	474,824
1010	330	Tax Equalization Board	9,074	10,400	10,400
1010	333	Recorder of Deeds	2,197,950	2,382,285	2,359,486
1010	334	Election and Registration	2,910,273	2,219,830	3,077,245
1010	335	Medical Examiner	1,496,822	1,627,060	1,671,789
1010	340	Treasurer	598,492	656,916	657,681
1010	414	Soulard Market	234,874	247,757	262,033
1010	510	Director of Streets	1,048,223	1,001,257	947,124
1010	511	Traffic and Lighting Division	7,770,480	7,718,875	7,407,705
1010	513	Auto Towing and Storage	1,527,596	1,708,951	1,698,458
1010	514	Street Division	5,662,460	5,638,517	5,463,859
1010	516	Refuse Division	12,570,865	12,999,897	12,872,081
1010	610	Director of Public Safety	747,144	721,898	678,000
1010	611	Fire Department	47,270,374	50,189,038	49,334,670
1010	612	Firefighters Retirement System	4,677,084	6,542,560	6,539,172
1010	616	Excise Commissioner	316,876	350,027	348,309
1010	620	Building Commissioner	7,058,648	7,442,003	7,004,326
1010	622	Neighborhood Stabilization	1,798,366	1,748,902	2,146,628
1010	632	Corrections / MSI	14,731,923	15,477,775	15,510,437
1010	633	City Justice Center	13,395,292	14,562,982	14,439,095
1010	650	Police Department	130,228,003	135,413,005	131,795,210
1010	651	Police Pension Fund	4,399,155	8,486,263	8,498,315

**FY07 BUDGET SUMMARY - ALL DEPARTMENTS  
BY FUND**

Fund	Department		FY05 Actual	FY06 Budget	FY07 Budget
1010	700	Director, Health & Hospitals	-	749,587	-
1010	710	Health Commissioner	103,868	-	-
1010	800	Director of Human Services	1,229,333	1,388,862	1,321,484
1010	900	President, Board of Public Service	2,744,643	3,113,425	2,944,237
1010	903	Facilities Management	8,768,318	8,768,883	9,720,832
1010	910	Equipment Services Division	9,740,957	9,595,484	10,530,070
1010	930	Soldier's Memorial Building	198,489	207,775	200,886
Subtotal			399,507,899	416,384,603	425,267,499

**Local Use Tax Fund**

1110	143	Affordable Housing Commission	8,288,965	6,007,727	5,498,621
1110	160	Comptroller	-	-	23,114
1110	516	Refuse Division - Bulky Pick-up	1,010,328	1,062,739	1,052,780
1110	620	Building Commissioner - Housing Conservation	2,402,950	1,867,270	1,907,910
1110	620	Building Commissioner - Building Demolition	2,773,831	3,000,000	3,000,000
1110	650	Police Department	1,109,000	1,250,000	3,755,500
1110	700	Director, Health & Hospitals	682,875	-	951,725
1110	710	Health Commissioner	1,139,509	1,134,616	1,285,328
1110	711	Communicable Disease Control	1,629,966	2,174,708	2,307,203
1110	713	Public Health Laboratory	457,796	-	-
1110	714	Rabies Control	927,618	945,925	858,761
1110	715	Community Sanitation and Vector Control	1,747,022	2,346,802	2,216,256
1110	716	Lead Poisoning Control	168,594	230,114	212,311
1110	719	Family / Community / School Health	617,726	665,472	546,639
1110	720	Food Control Section	640,296	-	-
1110	737	Health Care Trust Fund	5,000,000	5,000,000	5,000,000
1110	800	Director of Human Services	366,119	343,914	341,389
<b>Subtotal</b>		<b>28,962,595</b>	<b>26,029,287</b>	<b>28,957,537</b>	

**Convention and Tourism Fund**

1111	160	Convention and Tourism Fund	4,097,090	4,312,000	4,461,000
<b>Subtotal</b>		<b>4,097,090</b>	<b>4,312,000</b>	<b>4,461,000</b>	

**Convention and Sports Authority Trust Fund**

1111	331	Convention & Sports Facility Trust Fund	5,278,020	5,815,000	5,990,000
<b>Subtotal</b>		<b>5,278,020</b>	<b>5,815,000</b>	<b>5,990,000</b>	

**Demolition Fund**

1113	214	Division of Forestry	36,813	-	-
1113	620	Building Commissioner - Bldg. Demolition	1,416,721	-	-
<b>Subtotal</b>		<b>1,453,534</b>	<b>-</b>	<b>-</b>	

**Assessment Fund**

1115	180	Assessor	3,944,758	4,115,278	4,061,253
<b>Subtotal</b>		<b>3,944,758</b>	<b>4,115,278</b>	<b>4,061,253</b>	

**FY07 BUDGET SUMMARY - ALL DEPARTMENTS  
BY FUND**

<b>Fund</b>	<b>Department</b>		<b>FY05 Actual</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>
<b>Special Revenue Funds</b>					
1116	120	Mayor's Office	52,198	57,999	-
1116	139	City Counselor	-	251,610	257,947
1116	210	Director PRF - Forest Park Fund	655,377	1,800,000	2,100,000
1116	213	Division of Recreation	-	68,910	63,910
1116	214	Division of Forestry	118,345	131,283	126,739
1116	220	Div. Of Parks - Forest Park Maint Fund	-	1,600,000	600,000
1116	312	Circuit Attorney (Child Sup., Tax Unit & Training)	81,752	-	-
1116	312	Circuit Attorney (Training Fund)	2,422	2,500	2,500
1116	312	Circuit Attorney (Tax Unit)	119,379	146,295	134,239
1116	312	Circuit Attorney (Child Support Unit)	1,613,374	1,895,270	1,846,786
1116	312	Circuit Attorney (HUD Unit)	85,025	90,051	55,705
1116	316	City Courts - Specialty Courts	94,828	-	-
1116	317	City Marshal	-	34,081	33,691
1116	320	Probation Dept. & Juvenile Detention	-	791,696	794,657
1116	510	Director of Streets - Excavation Restoration	274,015	373,760	409,648
1116	520	Port Administration Division	3,198,125	3,113,000	2,552,720
1116	620	Building Commissioner - Lead Remediation	1,595,439	1,658,142	1,835,753
1116	620	Building Commissioner - Demolition & Board-Up	1,271,117	2,181,692	2,161,870
1116	632	Corrections / MSI	358	-	-
1116	650	Police Dept. - Peace Officer Training	83,272	100,000	100,000
1116	700	Director, Health & Hospitals	-	50,000	50,000
1116	711	Communicable Disease Control	(25,606)	-	-
1116	714	Rabies Control	6,515	20,000	20,000
1116	716	Lead Poisoning Control	1,004	200,000	200,000
1116	737	Special Health Care Fund	200,000	-	-
1116	800	Director of Human Services	157,000	246,000	264,000
1116	900	President, Board of Public Service	-	220,498	199,622
1413	160	Tax Increment Financing	4,722,624	2,060,679	2,189,131
1218	160	Trustee Lease Fund	1,792,669	873,600	871,300
<b>Subtotal</b>			<b>16,099,232</b>	<b>17,967,066</b>	<b>16,870,218</b>
<b>Communications Fund</b>					
1117	127	Information Technology Services Agency	128,881	142,407	140,840
1117	401	Communications Division	1,340,807	1,168,475	1,192,660
1117	650	Police Department	55,000	-	-
<b>Subtotal</b>			<b>1,524,688</b>	<b>1,310,882</b>	<b>1,333,500</b>
<b>Lateral Sewer Fund</b>					
1118	160	Comptroller - Lateral Sewer Line	59,269	63,060	62,664
1118	510	Director of Streets - Lateral Sewer	3,002,284	3,094,784	3,052,875
<b>Subtotal</b>			<b>3,061,553</b>	<b>3,157,844</b>	<b>3,115,539</b>
<b>Other Special Revenue Funds - Special Authorizations</b>					
1119	139	City Counselor	147,262	-	-
1119	210	Director PRF - Forest Park Fund	419	-	-
1119	213	Division of Recreation	8,821	-	-

**FY07 BUDGET SUMMARY - ALL DEPARTMENTS  
BY FUND**

Fund	Department		FY05 Actual	FY06 Budget	FY07 Budget
1119	214	Division of Forestry	9,636	-	-
1119	220	Division of Parks	6,226	-	-
1119	312	Circuit Att. (Contingency & Tax Section)	676	-	-
1119	315	Sheriff - Auction Proceeds	48,535	-	-
1119	320	Probation Dept. & Juvenile Detention	246,612	-	-
1119	334	Election and Registration	133,384	-	-
1119	511	Transportation and Traffic Division	236,046	-	-
1119	520	Port Administration Division	1,986,950	-	-
1119	611	Fire Department	5,894	-	-
1119	700	Director, Health & Hospitals	33,051	-	-
1119	711	Communicable Disease Control	8,575	-	-
1119	930	Soldier's Memorial Building	30,395	-	-
Subtotal			2,902,482	-	-

**Riverboat Gaming Fund**

1121	190	City Wide Accounts - Riverfront Gaming	4,225,000	4,050,000	2,950,000
1121	611	Fire Department - Riverfront Gaming	2,509	25,000	25,000
1121	650	Police Department - Riverfront Gaming	650,000	950,000	1,350,000
Subtotal			4,877,509	5,025,000	4,325,000

**Grant Funds**

1133	142	Community Development Administration	111,448	-	-
1133	716	Lead Poisoning Control	(134,431)	-	-
1134	142	Community Development Administration	208,620	-	-
1134	800	Dir. of Human Svcs. - Homeless Services	300,373	-	-
1136	611	Fire Department	117	-	-
1137	320	Probation Dept & Juvenile Det. Cntr	105,141	-	-
1137	800	Director of Human Services	(5,069)	-	-
1140	312	Circuit Attorney	-	-	51,632
1140	650	Police Department - Misc. Grants	6,028,956	5,863,991	6,138,000
1162	121	St. Louis Agency on Training & Employment	12,093,867	8,227,242	8,657,307
1162	160	Comptroller	62,473	46,169	47,683
1163	139	City Counselor	545,024	846,570	823,676
1163	141	Planning and Urban Design	1,521,093	1,645,870	1,484,188
1163	142	Community Development Administration	2,416,490	2,303,231	1,999,292
1163	160	Comptroller	361,053	459,771	424,156
1163	213	Division of Recreation	308,088	-	-
1163	316	City Courts - Problem Properties	16,828	-	-
1163	611	Fire Department	(73,713)	-	-
1163	620	Building Commissioner	393,483	337,621	342,133
1163	622	Neighborhood Stabilization	13,766	8,410	8,446
1163	800	Director of Human Services	326,999	354,000	354,000
1163	900	President, Board of Public Service	157,915	-	-
1164	141	Planning and Urban Design	105,090	-	-
1164	142	Community Development Administration	607,069	877,969	900,365
1164	220	Division of Parks	472,765	-	-
1164	620	Building Commissioner	929,587	2,760,483	2,325,989
1164	716	Lead Poisoning Control	377,361	360,553	505,487
1166	160	Comptroller - Health Grant Auditing	-	-	46,414
1166	700	Director, Health & Hospitals	355,881	691,625	924,575

**FY07 BUDGET SUMMARY - ALL DEPARTMENTS  
BY FUND**

<b>Fund</b>	<b>Department</b>		<b>FY05 Actual</b>	<b>FY06 Budget</b>	<b>FY07 Budget</b>
1166	710	Health Commissioner	596,206	-	-
1166	711	Communicable Disease Control	7,859,503	9,020,436	8,903,705
1166	715	Community Sanitation and Vector Control	1,120,883	1,337,224	1,592,810
1166	716	Lead Poisoning Control	124,763	109,578	907,842
1166	719	Family / Community / School Health	927,340	1,069,863	307,215
1167	160	Comptroller	-	48,315	35,345
1167	800	Director of Human Services	7,526,796	15,166,726	14,592,972
1168	126	CREA - EEOC Contract	31,728	56,782	56,872
1168	160	Comptroller	11,257	-	-
1168	213	Division of Recreation	64,421	-	-
1168	214	Division of Forestry	8,048	-	-
1168	220	Division of Parks	610,516	-	-
1168	312	Violence Grants)	699,108	666,834	575,207
1168	320	Probation Dept. & Juvenile Det. Cntr.	685,787	-	-
1168	334	Election and Registration	95,428	-	-
1168	335	Medical Examiner	78,428	125,000	125,000
1168	516	Refuse Division - Recycling	170,657	402,403	314,645
1168	611	Fire Department	500,933	75,861	342,961
1168	620	Building Commissioner	(501)	103,000	-
1168	625	City Emergency Management Agency	81,319	-	-
1169	220	Division of Parks	-	115,288	115,781
1169	312	Circuit Attorney (LLEBG/JAG/PSN/Gun Violence)	133,846	71,084	45,093
1169	316	City Courts - Community Courts	-	-	36,493
1169	320	Probation Dept. & Juvenile Det. Cntr.	211,841	-	-
1169	321	Circuit Drug Court	52,145	-	-
1169	335	Medical Examiner	-	-	105,000
1169	622	Neighborhood Stabilization - Grants	2,257,654	2,215,329	1,012,994
1169	625	City Emergency Management Agency	562,433	-	-
		<b>Subtotal</b>	<b>52,016,813</b>	<b>55,367,228</b>	<b>54,103,278</b>
<b>Capital Funds</b>					
1217	160	Capital Improvements - Regular Sources	17,556,916	13,506,012	16,543,653
1220	160	Capital Improvements - Sales Tax Fund	15,676,000	16,450,000	16,799,692
1219	160	Metro Parks - Sales Tax Fund	435,263	1,059,484	1,559,900
		<b>Subtotal</b>	<b>33,668,179</b>	<b>31,015,496</b>	<b>34,903,245</b>
<b>Debt Service Fund</b>					
1311	160	G.O. Debt Service Fund (Public Safety Bonds)	5,674,738	5,670,198	5,845,331
		<b>Subtotal</b>	<b>5,674,738</b>	<b>5,670,198</b>	<b>5,845,331</b>
<b>Enterprise Funds</b>					
1510	415	Water Division	42,701,744	50,021,548	50,154,522
1511	420	The City of St. Louis Airport Commission	159,025,835	141,610,872	157,389,549
		<b>Subtotal</b>	<b>201,727,579</b>	<b>191,632,420</b>	<b>207,544,071</b>
<b>Internal Service Funds</b>					
1611	172	Mail Room	564,411	835,119	813,434
1613	123	Dept. Of Personnel - Employee Benefits	6,346,151	5,864,908	5,653,502
1713	123	Dept. of Personnel - Employee Benefits	24,243,048	24,926,907	25,104,819
1719	123	Department of Personnel	-	-	90,285
		<b>Subtotal</b>	<b>31,153,610</b>	<b>31,626,934</b>	<b>31,662,040</b>
<b>Total All Funds</b>			<b>\$795,950,279</b>	<b>\$799,429,236</b>	<b>\$828,439,511</b>

**FY07 BUDGET SOURCES AND USES OF FUNDS SUMMARY (in million \$)**

S - 34

Sources and Uses	General Fund	Local Use Tax Fund	Tourism Fund	Convention & Sports Facility Trust Fund	Assessment Fund	1116 Special Funds	Communications Fund	Lateral Sewer Fund	Riverboat Gaming Fund	SLATE
<b>Projected Beginning Fund Balance</b>	<b>\$22.750</b>	<b>\$16.350</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.289)</b>	<b>\$5.405</b>	<b>\$0.133</b>	<b>\$2.132</b>	<b>\$0.333</b>	<b>n/a</b>
<b>Revenues</b>										
Earnings Tax	131.700	--	--	--	--	--	--	--	--	--
Property Tax	46.550	--	--	--	1.564	--	--	--	--	--
Sales & Use Taxes	47.620	25.800	--	--	--	--	--	--	--	--
Motor Vehicle Sales Tax	3.590	--	--	--	--	--	--	--	--	--
Gasoline Tax	10.100	--	--	--	--	--	--	--	--	--
Payroll Tax	35.200	--	--	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	55.174	--	--	--	--	--	1.700	2.750	--	--
Restaurant Taxes	2.484	--	4.461	--	--	--	--	--	--	--
3.5% Hotel Sales Tax	--	--	--	5.990	--	--	--	--	--	--
Other Taxes	0.100	--	--	--	--	--	--	--	--	--
License Fees	18.395	--	--	--	--	--	--	--	--	--
Enterprise Revenues	--	--	--	--	--	--	--	--	--	--
Grants / Other Intergovt. Revenues	6.153	--	--	--	0.839	--	--	--	4.225	8.705
Dept. User Fees, Fines & Other Rev.	39.738	--	--	--	0.133	13.613	--	--	0.020	--
Transfers In	24.752	--	--	--	1.700	0.200	--	--	--	--
Other Resources	0.000	--	--	--	--	--	--	0.150	--	--
<b>Total Sources of Funds:</b>	<b>\$421.555</b>	<b>\$25.800</b>	<b>\$4.461</b>	<b>\$5.990</b>	<b>\$4.236</b>	<b>\$13.813</b>	<b>\$1.700</b>	<b>\$2.900</b>	<b>\$4.245</b>	<b>\$8.705</b>
<b>Appropriation:</b>										
Personal Services	313.613	13.713	--	--	3.437	4.793	1.209	0.727	1.350	1.827
Materials & Supplies	16.941	0.290	--	--	0.030	0.762	0.045	0.037	0.010	0.061
Rental & Non Capital Leases	1.690	0.107	--	--	0.010	0.110	0.006	0.005	0.000	0.616
Non Capital Equipment	0.345	0.007	--	--	0.013	0.103	0.005	0.000	0.010	--
Capital Assets	1.935	0.000	--	--	0.000	0.145	0.000	0.042	0.000	0.000
Contractual & Other Services	56.356	14.835	0.135	--	0.572	7.698	0.069	2.305	0.005	6.201
Debt Service	25.634	0.005	--	--	--	--	--	--	--	--
Transfers Out :										
Capital Lease Payments	7.053	--	--	--	--	--	--	--	--	--
Other Transfers Out	1.700	--	4.326	5.990	--	0.200	0.500	--	2.950	--
<b>Total Uses of Funds</b>	<b>\$425.267</b>	<b>\$28.957</b>	<b>\$4.461</b>	<b>\$5.990</b>	<b>\$4.062</b>	<b>\$13.811</b>	<b>\$1.833</b>	<b>\$3.115</b>	<b>\$4.325</b>	<b>\$8.705</b>
<b>Projected Ending Fund Balance</b>	<b>\$19.038</b>	<b>\$13.193</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.115)</b>	<b>\$5.407</b>	<b>\$0.000</b>	<b>\$1.917</b>	<b>\$0.253</b>	<b>\$0.000</b>
nb: Fund balances exclude 27th pay reserves and other designated balances.										

\* CDBG funds and St. Louis Street Improvement Fund are appropriated on a calendar year basis and are under separate appropriating ordinances. Fund balances rollover and do not require reappropriation.

**FY07 BUDGET SOURCES AND USES OF FUNDS SUMMARY (in million \$)**

Sources and Uses	Community Development Agency *	1164-69 Grant Funds	Street Improvement Fund *	1217-22 Capital Improvement Funds	General Obligation Debt Service	Tax Increment Financings	Water Division Enterprise Fund	Airport Enterprise Fund	Mail Services Internal Service Fund	Employees Health & Hosp. Funds
<b>Projected Beginning Fund Balance</b>	n/a	n/a	\$0.520	\$3.700	\$6.665	\$0.000	\$6.897	\$28.268	(\$0.067)	(\$2.800)
<b>Revenues</b>										
Earnings Tax	--	--	--	--	--	--	--	--	--	--
Property Tax	--	--	--	--	5.675	--	--	--	--	--
Sales & Use Taxes	--	--	--	18.609	--	--	--	--	--	--
Motor Vehicle Sales Tax	--	--	0.755	--	--	--	--	--	--	--
Gasoline Tax	--	--	--	0.630	--	--	--	--	--	--
Payroll Tax	--	--	--	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	--	--	3.630	--	--	--	4.000	--	--	--
Restaurant Taxes	--	--	--	--	--	--	--	--	--	--
3.5% Hotel Sales Tax	--	--	--	--	--	--	--	--	--	--
Other Taxes	--	--	--	--	--	2.189	--	--	--	--
License Fees	--	--	--	--	--	--	--	--	--	--
Enterprise Revenues	--	--	--	--	--	--	44.453	168.600	--	--
Grants / Other Intergovt. Revenues	30.811	39.961	--	--	--	--	--	--	--	--
Dept. User Fees, Fines & Other Rev.	--	--	--	1.500	--	--	--	--	0.813	32.249
Transfers In	--	--	--	10.080	--	--	--	--	--	--
Other Resources	--	--	0.015	0.660	--	--	--	--	--	--
<b>Total Sources of Fund:</b>	<b>\$30.811</b>	<b>\$39.961</b>	<b>\$4.400</b>	<b>\$31.479</b>	<b>\$5.675</b>	<b>\$2.189</b>	<b>\$48.453</b>	<b>\$168.600</b>	<b>\$0.813</b>	<b>\$32.249</b>
<b>Appropriation:</b>										
Personal Services	4.375	14.239	--	1.000	--	0.342	20.632	38.568	0.284	0.607
Materials & Supplies	0.036	0.565	--	--	--	0.015	8.426	5.638	0.004	0.007
Rental & Non Capital Leases	0.434	0.025	--	--	--	--	0.308	0.237	--	0.004
Non Capital Equipment	0.014	0.232	--	--	--	0.015	0.158	0.454	--	0.012
Capital Assets	0.031	0.071	--	--	--	--	0.754	2.648	0.025	0.000
Contractual & Other Services	25.921	24.829	4.600	16.738	--	--	15.807	44.424	0.500	30.219
Debt Service	--	0.000	--	17.165	5.845	1.817	4.070	65.420	--	--
Transfers Out :										
Capital Lease Payments	--	--	--	--	--	--	--	--	--	--
Other Transfers Out	--	--	--	--	--	--	--	--	--	--
<b>Total Uses of Funds</b>	<b>\$30.811</b>	<b>\$39.961</b>	<b>\$4.600</b>	<b>\$34.903</b>	<b>\$5.845</b>	<b>\$2.189</b>	<b>\$50.155</b>	<b>\$157.389</b>	<b>\$0.813</b>	<b>\$30.849</b>
<b>Projected Ending Fund Balance</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.320</b>	<b>\$0.276</b>	<b>\$6.495</b>	<b>\$0.000</b>	<b>\$5.195</b>	<b>\$39.479</b>	<b>(\$0.067)</b>	<b>(\$1.400)</b>
nb: Fund balances exclude 27th pay reserves and other designated balances.										

2-35

\* CDBG funds and St. Louis Street Improvement Fund are appropriated on a calendar year basis and are under separate appropriating ordinances. Fund balances rollover and do not require reappropriation.

## SUMMARY AND OVERVIEW

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### FY2007 GENERAL FUND BUDGET

The FY2007 general fund budget is proposed at \$425.3 million, an increase of 2.1% over the approved budget for the current year. When adjusted for the impact of the current budget's appropriation for the cyclical occurrence of 27 paydays, the change from FY2006 to the currently proposed budget is 4.3%. In developing the proposal, emphasis was properly placed on the preserving the current level of citizen services, providing enhanced stability in pension funding, accommodating fixed increases in uncontrollable costs, and sustaining fiscal progress by preserving and adding to the existing unreserved general fund balance.

A strategy employed in development of the FY2006 budget was the use of existing debt financing to free up funds for operations and avoid what would otherwise have been reductions in services. This financing technique resulted in the one time postponement of approximately \$11.0 million in annual debt service payments from the general fund. The FY2007 proposal resumes the traditional funding for those debt obligations and that restoration represents the

lion's share of the nominal, 27<sup>th</sup> pay adjusted budget increase of \$18.6 million. Rising pension fund obligations and the city's desire to stabilize its portion of the system's funding along with increases in the costs of basic raw materials and inputs required to deliver an acceptable level of services make up the remainder of the nominal increase in the FY2007 budget proposal. Normally, the anticipated impact of pay proposals for the various classes of city employees account for the largest change in budget appropriation on a year to year basis. Due to the fact that the current pay plan for city civil service employees expires at the end of the current fiscal year, a new proposal will be written in FY07 to account for the mid-year 3% cost of living adjustment (COLA). Unlike city civil service employees, the pay scale for individual commissioned police officers is set by action of the Missouri legislature. The proposal contains funding to provide for increases in pay to commissioned police officers that result from a pay matrix that mandates increases based on years of service. A city charter provision links the pay of city firefighters to the state legislature approved commissioned police officer pay matrix. Funds remaining after consideration of the

## SUMMARY AND OVERVIEW

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debt service obligations and state mandates have been allocated in a way that allows for continued delivery of citizen's services at a level that both compliments and validates the investments made by businesses and residents of the City.

### **Public Safety**

The general fund allocation for Police Services is \$140.3 million, an amount that represents one-third of the total general fund proposal. The proposed amount is based on providing a level of funding that is consistent with the current year when all adjustments are accounted for. The proposed funding will pay for an average staffing level of 1,335 commissioned officers and will provide sufficient funding for recruitment and training that can sustain the desired staffing level. In FY2006 the city increased its contribution to the Police Retirement System by 100% in an attempt to shore up the systems finances and to allow time for a plan to be developed that addresses long range solutions to pension system funding. That commitment is still in place and the increased level of funding is maintained in the FY2007 budget proposal. Funding recommendations for the Fire and

Emergency Medical Services operations is included at \$49.3 million with an additional \$6.5 million allocated for the employer contribution and debt service payments associated with the Firefighters Retirement System. The recommended amount will provide ample funding for continuous operation of 30 engine houses throughout the City and will maintain the enhanced level of funding to the Firefighters Retirement System that was initiated in the current year.

### **Parks and Recreation**

Funding from the general fund for the Department of Parks, Recreation, and Forestry is recommended at \$19.0 million. Included in this amount is an allocation to the Parks Division of \$9.3 million for its use performing year round maintenance and upkeep of the city's 7 comparatively large major parks and its 100 smaller neighborhood parks, including periodic and seasonal grounds maintenance. Additionally, the Forestry Division will receive \$6.6 million to manage and maintain a sizeable inventory of vacant lots and buildings along with its continuing effort to perform tree trimming on a scheduled basis. The remaining allocation proposed for the

## SUMMARY AND OVERVIEW

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Department of Parks, Recreation and Forestry is used to provide programming and security services at 10 recreation centers, provide for management and administration expenses for the department as a whole, and to make an annual contribution to help defray expenses at Tower Grove Park, one of the city's major parks that is run by a private group.

### **Streets and Refuse**

The proposed allocation for the Department of Streets is \$28.4 million. The largest single allocation in this department is to the Refuse Division in the amount of \$12.9 million, and will be used to maintain refuse collection and disposal services on the existing schedule. A proposal by management of the Refuse Division to impose a charge on the owners of multiple unit housing complexes for refuse collection and disposal was considered but not implemented. Street cleaning services will continue to be provided in residential areas on a monthly schedule and in the commercial business district on a nightly basis using the proposed allocation of \$5.5 million to the Division of Streets. Additional allocations included in the Department of Streets overall total include

amounts for maintaining the city's system of street and traffic lights as well as operation of a program for towing, storing and ultimately disposing of abandoned vehicles.

### **Miscellaneous and Fixed Increases**

Over the last two fiscal years, the city has gradually instituted changes in service delivery methods including reassignment of vehicle maintenance responsibilities from Equipment Services to the Police Department and shifting management of certain aspects of the lead paint abatement program from the Department of Health & Hospitals to the Building Division. These changes have resulted in operational efficiencies and cost savings and are maintained in the FY2007 proposal. An allocation of general fund revenues to finance and maintain public improvements is included in this proposal in the amounts necessary to restore funding that was assumed in the FY2006 budget proposal by the proceeds from a debt issuance. Appropriations in this proposal for debt service on public improvements amount to \$29.5 million and will service debt on the Justice Center, Civil and Carnahan Courthouses, Convention Center and the St.

## SUMMARY AND OVERVIEW

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Louis Market Place project, if project revenues are insufficient.

Unavoidable or fixed increases that are accommodated in the proposal other than the debt service mentioned earlier include \$900,000 for the estimated cost of four scheduled elections in FY2007, \$2.1 million to bring the Employee Retirement System contribution up to match the system's normal cost, and \$2.8 million for increases in the expected cost of utilities for City buildings and fuel for City service vehicles. Increases in the budget proposals that are under the authority of the Circuit Court are included in the proposal as a result of statutory requirements to leave unaltered any budget estimates submitted by the Court. The budget submissions by the Court contained funding for salary increases for court employees and Court management has been requested to review these for possible elimination or other modification.

The proposed budget increases are funded by growth in recurring revenues, some decreases in operating costs, and a draw on the unreserved general fund balance. The use

of unreserved fund balance, which in this instance means appropriation of a portion of the FY2006 operating surplus which would otherwise have accrued to the fund balance, is deemed necessary to provide necessary revenues to maintain service delivery at an acceptable level and allow time to continue to work for permanent funding solutions. The budget continues to preserve on unreserved balance target approaching 5% of the general fund budget.

## SUMMARY AND OVERVIEW

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### Major Changes in the FY07 General Fund Budget

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- \$1.5 million increase in contributions to the Employee Retirement System
- 700,000 in anticipated debt payments for Police and Fire Retirement Systems
- \$3.7 million for a 3% mid-year pay increase for all employees
- \$1.0 million in anticipated salary savings from attrition in managerial and administrative positions
- New health insurance carrier for employees with some plan enhancements with no net increase in cost.
- Approximately \$900,000 increase in Election Board costs for conducting 4 scheduled City-wide elections
- \$250,000 in on-going savings through audit of street lighting utility costs
- Additional Neighborhood Stabilization Officer for better neighborhood coverage.
- \$250,000 for staffing of Neighborhood Officers previously funded through expiring public safety block grants
- Additional inspector for expansion of Housing conservation Districts
- \$600,000 increase in MSI and Justice Center prisoner medical costs
- \$1.4 million increase in city building light, heating and sewer utility costs
- \$1.0 million increase in cost of fuel for City service vehicles
- \$780,000 increase in Police patrol fuel and utility costs
- Net reduction of approximately \$700,000 in shift of Director of Health and Hospitals to Local Use Tax Fund

## SUMMARY AND OVERVIEW

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### **FY2007 GENERAL FUND REVENUES**

Revenues available to support the budget for general operations are forecast at \$425.3 million, comprised of expected FY2007 operating revenues of \$421.5 million and a portion of the current year surplus from operations estimated at \$3.75 million. The recurring portions of these revenues are generated by a variety of sources in direct reflection of the city's diverse revenue base, with the most significant source being taxes on employment. Other significant sources include taxes on real and personal property, taxes based on retail sales transactions, a variety of business license fees, and intergovernmental revenues in the form of payments from the State of Missouri. The remaining recurring general fund revenues are comprised of departmental receipts for services rendered and fines and forfeits resulting from ordinance violations. Unlike the current year when one time revenues accounted for \$12.0 million or 3.0% of the total, the one time revenues supporting the FY2007 budget consist of an operating surplus from the current year due to receipts coming in higher than expected.

Employment based taxes, a category

which includes the earnings tax, payroll expense tax, and the graduated business license fee provide the largest share of general fund revenues. In FY2007 this group is expected to provide 42% of all general fund revenues, up from 40% currently. The increase for this group is forecast at 2.9% over the revised estimates for FY2006. Of this group the earnings tax applied to individual's earnings and business profits is the most significant and is forecast to generate \$131.7, a healthy increase of 6.5% over the amount on which the current budget is based. Mid year revisions to both earnings and payroll expense tax estimates resulted in increases reflecting aggressive collection efforts that provided a boost in collections for the year. The payroll expense tax, a function of total wages paid for work performed in the City, and the graduated business license fee which is based on the number of full time equivalent workers in the City are both key indicators of employment trends in the City. Together, these two revenue sources are forecast to generate \$43.0 million in FY2007. The graduated business license fee revenue has historically generated approximately \$7.8 million per year and is forecast to do the same in FY2007 while the payroll expense tax is forecast to grow by

## SUMMARY AND OVERVIEW

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2.1%.

The FY2006 official estimate of property tax revenues while based on known increases in assessed value of property was overly optimistic as many property owners took advantage of state laws allowing challenges to tax assessments, a process that delays receipt of tax payments until the challenge is resolved. The FY2007 estimate of 3.2% growth in total property tax revenues takes into account the continued growth in real estate values fueled by the expiration of tax abatement provisions and new investment while also recognizing that the personal property values which are mainly accounted for by motor vehicles is not likely to experience any significant growth. Mid year adjustments to expected sales tax revenue have resulted in an estimate for FY2006 that is essentially unchanged from actual receipts in the previous year with deposits to the general fund growing at less than 1.0%. The FY2007 proposal calls for a modest 1.8% growth over the revised amount. General sales tax receipts are anticipated at \$46.9 million. Franchise tax revenues which include a gross receipts tax on privately owned utility companies and the city owned

Airport and Water Division should provide \$55.2 million, a 5.6% increase over current estimates. The telecommunications segment of Franchise tax revenues is forecast to decrease slightly amid changes in the industry, but this drop is more than offset by sharp increases in the price of natural gas and more modest increases in the cost of electricity and steam. There are no implicit rate increases factored into the estimate as these require approval by the Missouri Public Service Commission, a non city agency. As in the past, estimated receipts from the sale of natural gas and electricity are based on current prices and an expectation of average usage with extremes in weather conditions being factored out.

Revenues from sources associated with the hospitality and entertainment industry are projected to bring in \$19.3 million compared with the FY2005 estimate of \$22.7 million. The reduction from last year is the result of the elimination of a five percent gross receipts tax on baseball tickets effective with the opening of a new downtown stadium. With the impact of the elimination factored out of the equation, hospitality and entertainment industry revenues are forecast

## SUMMARY AND OVERVIEW

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to increase at a rate of 2.4%. Intergovernmental revenues from the State are expected to increase by approximately 4.0% based on the expectation that reimbursements for housing inmates on state charges will be made in accordance with state statutes. Departmental receipts which include user fees, permit and inspection fees, fines and forfeits, as well as court costs are anticipated to be at about the same level as the current year as there have been no significant fee increases imposed in the last year.

### **Earnings and Payroll Tax**

Employment based tax revenue, i.e. earnings and payroll taxes provide the largest share of the City's general revenue. Corporate restructurings and downsizings have had the effect of restraining job growth in both the City proper and the metropolitan area. Earnings taxes are paid on both individual employee gross earnings and on net profits earned in the City by businesses. Payroll tax is a business tax applied to the wages paid to employees for work performed in the city. A review of collections data through the end of the third quarter indicates that fiscal year collections will most likely

exceed the original revenue projections. Earnings and payroll expense taxes in FY2007 are projected to provide \$131.7 and \$35.2 million, respectively. Together, these two sources account for nearly 40 percent of total general fund revenues and the estimated amount represents a growth factor of 2.9% over the current year's revised estimate.

### **Tourism and Amusement Tax**

Convention and tourism based revenues contributing to the general fund consists of a gross receipts tax on hotels and restaurants. In FY2007, hotel and restaurant gross receipts taxes are expected to provide \$12.9 million, an increase of 5.7% over the current year's budget amount of \$12.2 million. The expected increase is generated by continuing growth in both restaurant and hotel tax receipts which are up by 5.5% in the current year. Amusement tax revenues which are mainly a function of ticket prices to sporting events are expected to decrease as the tax on baseball tickets has been eliminated. For FY2007, amusement taxes are forecast to provide \$3.8 million, a decrease of \$4.2 million from the current budget amount.

## SUMMARY AND OVERVIEW

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### **Sales Tax**

Local sales tax revenues will account for \$46.9 million based on the local tax rate of 1.375%. The FY2006 official estimate of sales tax revenues projected a small decrease in collections from that of the previous year. A review of the most recent data now indicates that the current year's receipts will be about the same as in last year. The FY2007 estimate incorporates a growth rate of 1% over FY2006 revised amounts.

### **Property Tax**

Property tax revenues, which will account for more than 10% of the general fund in FY2007, continue to provide an important piece of the general revenue pie. The forecast for next year recognizes the growth in the real estate assessments and the statutory prohibition against the realization of a revenue windfall resulting from reassessment of real property. Revenue from real property is allowed an increase limited to an accepted inflation index, plus any increases resulting from new construction. FY 2007 revenues anticipate continued growth in the assessed value of real property and no

significant change in personal property tax assessed values, with a net change of approximately 3%.

### **Franchise Tax**

Revenues from franchise taxes are forecast at \$55.2 million. Because a large majority of these revenues are based on the gross receipts of utility companies, they are to a great extent dependent on changes in weather patterns and to a lesser extent on the actions of State regulatory agencies that have the authority to approve or disallow rate changes. An expected decline in revenues based on telecommunications company receipts will be more than offset by price increases already in place for natural gas and electricity.

### **Licenses and Permits**

License and permit revenue is expected to increase from the FY2006 official estimate by 9.3% fueled primarily by an increase in revenues for building and occupancy permits related to some high profile commercial development projects that are expected to be completed soon. Modest

## SUMMARY AND OVERVIEW

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increases are forecast for gross receipts based license fees while fixed cost licenses such as those for automobiles, liquor licenses, and business licenses based on employee head count are expected to remain at the current year's level.

### **Intergovernmental Revenues**

The major intergovernmental revenues received from the State include the motor vehicle sales tax and a gasoline tax, both of which are imposed statewide and distributed to local jurisdictions based on a constitutional formula. The projection for FY2007 for both the state automobile and gasoline tax revenues presume no significant increase from the currently expected amounts. This category also includes state reimbursements for the cost of housing pre-trial inmates and placements of juvenile offenders. Housing reimbursements are forecast to be higher, incorporating a 5% increase in the per-diem rate and the expectation that the state budget appropriation will be sufficient to pay for the increased amount.

**CITY OF ST. LOUIS**  
**GENERAL FUND REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual FY05</b>	<b>Projected Receipts FY06</b>	<b>Projected Receipts FY07</b>	<b>Percent Change</b>
Earnings Tax	\$122,941,515	\$128,174,000	\$131,700,000	2.8%
Sales Taxes	46,013,082	47,182,000	47,620,000	0.9%
Property Tax	44,376,212	45,105,000	46,550,000	3.2%
Payroll Expense Tax	31,588,099	34,484,000	35,200,000	2.1%
Franchise / Utility Taxes:				
Electricity	22,141,529	23,000,000	24,000,000	4.3%
Natural Gas	9,945,620	11,500,000	11,500,000	0.0%
Telephone	9,374,641	8,500,000	8,200,000	-3.5%
Water	4,069,174	4,200,000	4,300,000	2.4%
Airport	5,587,189	5,700,000	5,900,000	3.5%
All Other franchise fees	965,612	974,000	1,274,000	30.8%
Subtotal	52,083,765	53,874,000	55,174,000	2.4%
Intergovernmental Revenues:				
Gasoline Tax	10,189,014	10,100,000	10,100,000	0.0%
Health Care Payments	4,011,458	3,700,000	3,700,000	0.0%
Prisoner Housing Reimbursement	6,591,238	5,848,000	9,903,000	69.3%
Juvenile Detention Reimbursements	2,381,099	2,453,000	2,453,000	0.0%
Motor Vehicle Sales Tax	3,563,374	3,500,000	3,590,000	2.6%
Intangible Tax	149,417	53,000	100,000	88.7%
Subtotal	26,885,600	25,654,000	29,846,000	16.3%
Licenses:				
Graduated Business License	7,755,991	7,800,000	7,800,000	0.0%
Cigarette Occupational License	1,970,616	1,929,000	1,884,000	-2.3%
Sports and Amusement	7,292,007	8,106,000	3,764,000	-53.6%
Automobile	1,358,741	1,372,000	1,375,000	0.2%
Parking Garages and Lots	2,395,300	2,550,000	2,627,000	3.0%
Other Licenses	590,154	772,000	1,544,500	100.1%
Subtotal	21,362,809	22,529,000	18,994,500	-15.7%

**CITY OF ST. LOUIS**  
**GENERAL FUND REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual FY05</b>	<b>Projected Receipts FY06</b>	<b>Projected Receipts FY07</b>	<b>Percent Change</b>
Departmental Revenues:				
Fines and Forfeits	7,596,439	5,593,000	5,943,000	6.3%
Building and Occupancy Permits	7,606,599	8,617,000	8,160,000	-5.3%
Departmental User Fees & Other	24,640,544	26,971,000	27,278,000	1.1%
Subtotal	39,843,582	41,181,000	41,381,000	0.5%
Convention and Tourism Taxes:				
Hotel / Motel Gross Receipts <sup>1</sup>	5,278,020	5,815,000	5,990,000	3.0%
Restaurant Gross Receipts - 1 cent <sup>1</sup>	3,912,090	4,177,000	4,326,000	3.6%
Restaurant Gross Receipts - 1/2 cent	2,115,487	2,400,000	2,484,000	3.5%
Subtotal	11,305,597	12,392,000	12,800,000	3.3%
All other revenues and transfers	3,270,755	6,980,000	2,290,000	-67.2%
27th Pay Reserve	0	8,750,000	0	-100.0%
Subtotal	3,270,755	15,730,000	2,290,000	-85.4%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$399,671,016</b>	<b>\$426,305,000</b>	<b>\$421,555,500</b>	<b>-1.1%</b>

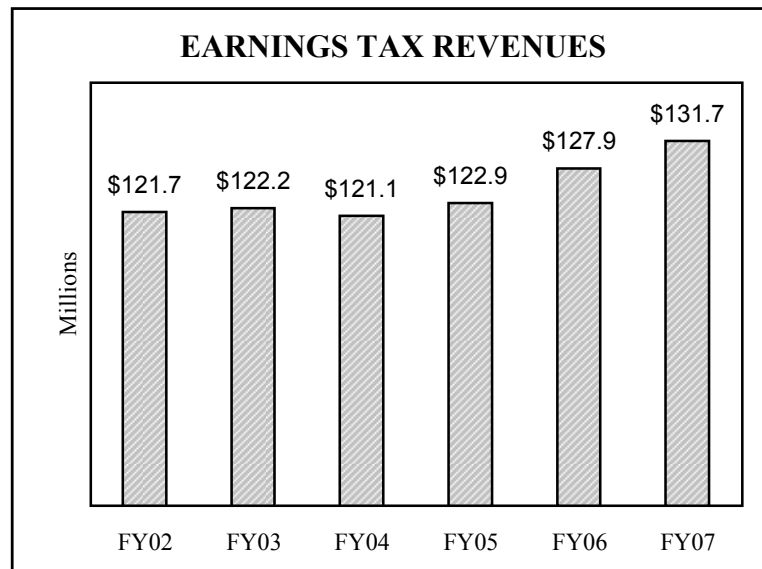
<sup>1</sup> Transfers from convention and sports facility trust fund and convention and tourism fund respectively

## EARNINGS TAX

### Definition

A one percent tax levied against employee gross compensation and business net profits.

The tax applies to all residents of the City of St. Louis regardless of where they work. It also applies to the earnings of non-residents who work within the city limits.



### Discussion

The city earnings tax is the most significant single source of general fund revenues, comprising approximately 30% of the total revenues. Receipts from individual taxpayers comprise about 85 percent of total earnings tax revenues, with businesses paying the remaining 15 percent. The Collector of Revenue is authorized by State law to retain a percentage of collections to pay for office operations. Funds not used for operations, including interest, are returned to the city.

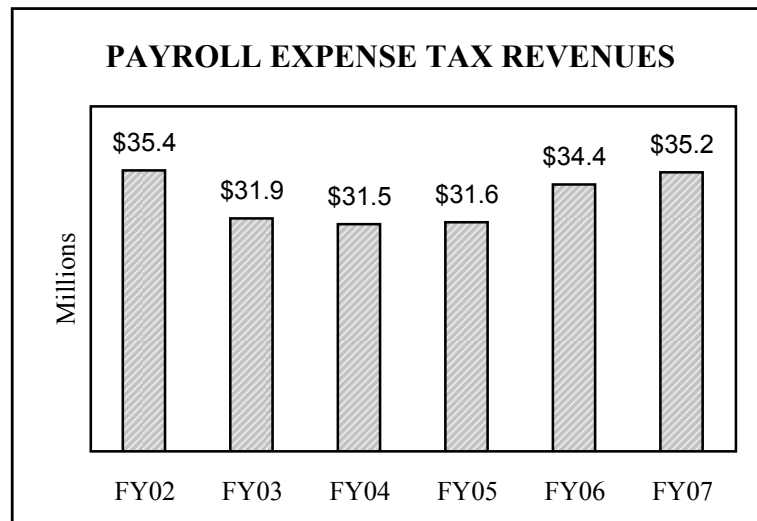
Following recent years with little to no growth in general fund receipts, Earnings Tax revenues have shown moderate growth over the past 2 fiscal years. Revenues for FY07 are projected to increase 3%.

## PAYROLL EXPENSE TAX

### Definition

A tax of one-half of one percent of total compensation paid by a business to its employees for work performed in the City of St. Louis. Not-for-profit charitable or civic organizations are exempt from the payroll expense tax.

### Discussion



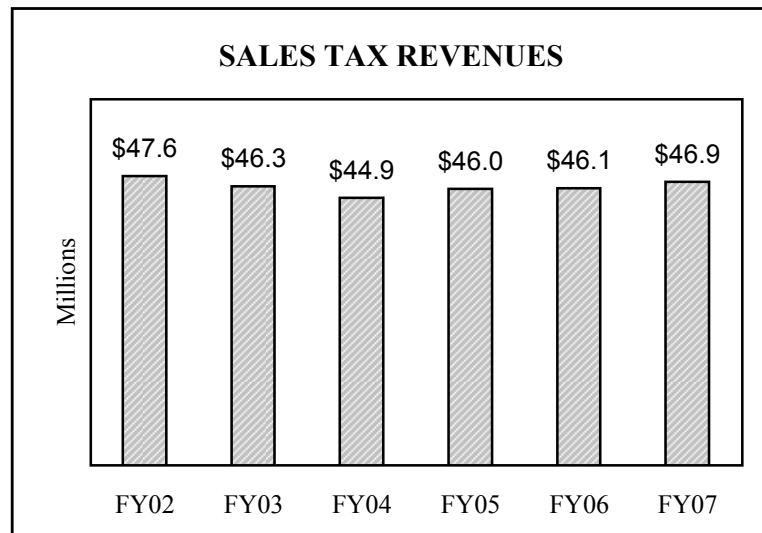
The payroll expense tax was implemented in 1988 as part of an overall tax reform package, the aim of which was to redesign the city revenue base to be more attuned to changes in the economy. Payroll expense tax receipts follow trends in earnings tax collections, but grows at a different rate, due to a somewhat different base and exemptions noted above. Some of the growth in FY06 receipts can be attributed to technical factors where receipts due in FY05 were received in FY06. The underlying growth however is projected to continue in FY07 as revenues are forecast to increase by 2.5%.

## SALES TAX

### Definition

A one and three-eighths percent tax levied on retail sales in the City of St. Louis. Sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.

### Discussion



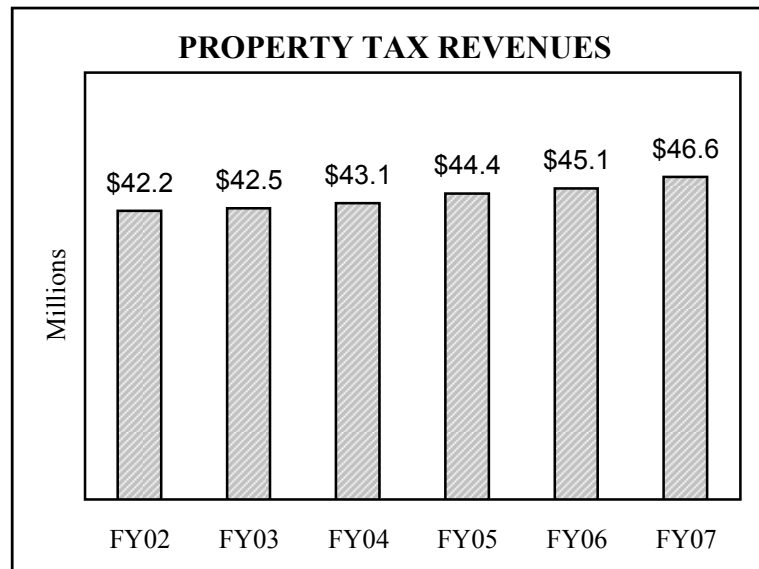
After exhibiting a gradual decline in recent years, the sales tax in the past two years has shown growth albeit at a nominal rate. Sales tax receipts into general revenue are projected to increase 1.8% in FY07.

Separate sales taxes not included in the above figures are the City's 0.5% (half cent) sales tax for capital improvement purposes (described in another section) as well as 0.5% and 0.25% sales taxes for transportation purposes that are allocated to the regional transit authority, a 0.10% regional parks sales tax and a 0.66% education sales tax which brings the total local sales tax rate in the city to 3.392%.

## REAL AND PERSONAL PROPERTY TAXES

### Definition

A tax levied on the assessed value of all real and personal property. The current tax rate is \$6.9186 per \$100 assessed value



### Discussion

Real and personal property tax revenues are distributed to the following taxing jurisdictions.

State	\$0.0300
Schools	3.9720
Community College	0.2231
Library	0.5104
Zoo, Museum, Garden District	0.2654
Sewer District	0.0686
Sheltered Workshop	0.1368
Community Mental Health	0.0821
Community Children's Services Fund	0.1900
City - General Purposes	1.3074
City - Public Debt	0.1328
TOTAL	<u>\$6.9186</u>

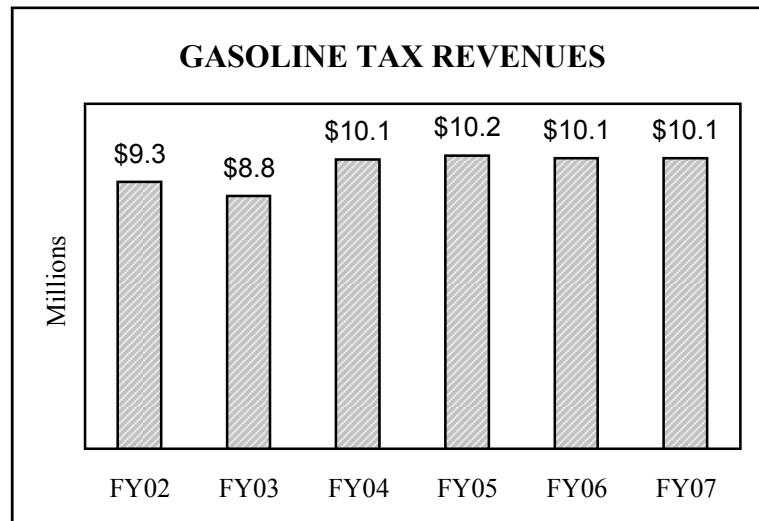
Taxes are levied on all real and personal property owned as of January 1 in each year. Tax bills are normally mailed in November and payment is due by December 31, after which taxes become delinquent. Assessment ratios are 19% for residential property, 32% for commercial property, and 12% for agricultural real estate. Personal property is assessed at 33.3% of the appraised market value.

In addition to the rate shown, commercial real property is taxed at a rate of \$1.64 per \$100 assessed valuation, as a replacement for the Manufacturer's Inventory tax. Property tax revenues to the general fund are projected to increase by 3.2% in FY07.

## GASOLINE TAX

### Definition

A per unit tax levied on the sale of motor fuel purchased statewide. The gasoline tax is levied by the state and remitted monthly to local jurisdictions based on the proportionate share of the total population.



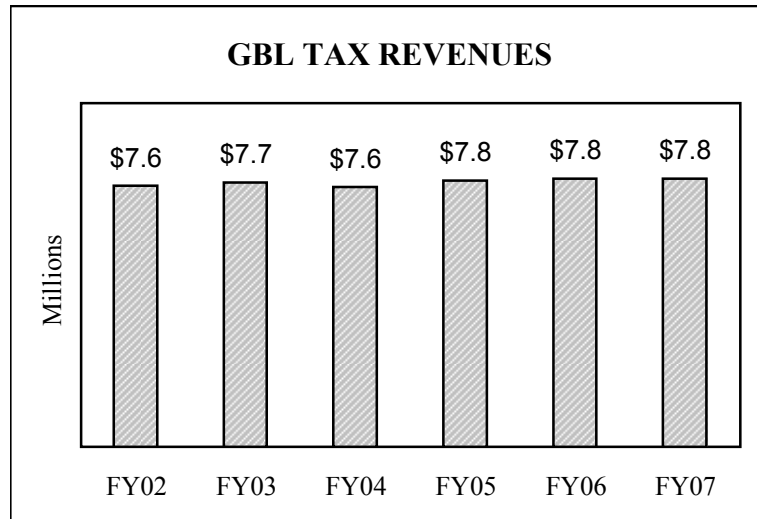
### Discussion

The gasoline tax rate imposed by the State of Missouri is \$0.17 per gallon. The City receives distributions from the state both for its status as a city and a county. The formula for distribution for these revenues is based on the jurisdiction's population as a percentage of all jurisdictions. As a result of the 2000 census, the City has seen a decline in its share of gasoline tax revenue distributions beginning in FY02. Amounts depicted in the chart above represent the city's allocation based on its status as a city and are deposited to the general fund to offset the cost of maintaining streets and highways. An additional \$0.6 million is received based on the city's status as a county and is deposited to the capital fund to offset the cost of road and bridge projects.

## GRADUATED BUSINESS LICENSE TAX

### Definition

A flat rate tax on businesses based on the number of persons a business employs within the city limits. The tax rate ranges from \$150 for employers with two or fewer employees to \$25,000 for employers with more than five hundred employees.



### Discussion

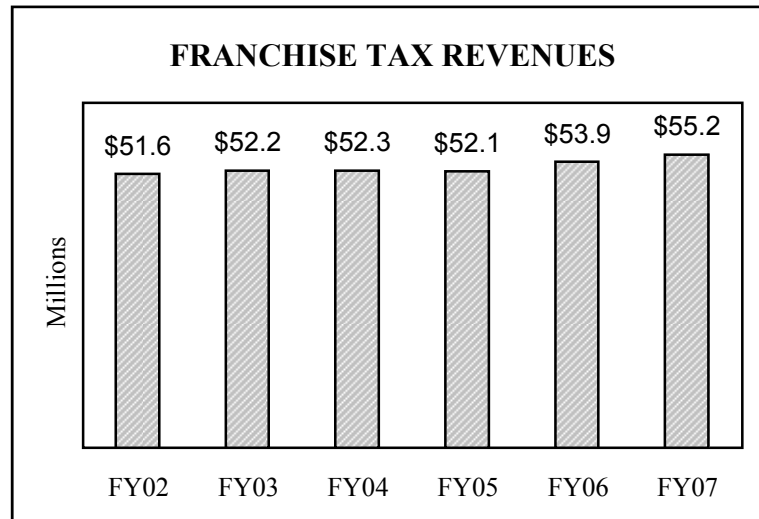
The graduated business license tax and provides a consistent source of revenue of just under \$8.0 million per year. As indicated by the chart above, the level of employment activity has remained relatively constant. Taxes are based on the following schedule.

Number of Employees	GBL Tax
501 or more	\$25,000
401-500	\$23,000
301-400	\$20,000
201-300	\$17,000
151-200	\$13,500
101-150	\$10,000
76-100	\$7,500
51-75	\$5,000
41-50	\$3,000
31-40	\$2,000
21-30	\$1,500
11-20	\$1,000
6-10	\$500
3-5	\$250
2 or fewer	\$150

## FRANCHISE TAX

### Definition

A tax on the gross receipts of utility companies operating within the city, including sales of electricity, natural gas, telephone services, water and steam, and on the gross receipts of the Airport.



### Discussion

The tax rate for companies supplying natural gas and electricity is 10% of the gross receipts from their commercial customers and 4% of the gross receipts from residential customers. Companies supplying telephone service, steam and water are taxed at 10% of their gross receipts from all customers. The taxes are passed on to the ultimate consumers.

The tax on natural gas and electricity account for about two-thirds of all franchise tax revenue. Rate changes for supplying natural gas, electricity, and telephone service are subject to approval by the Missouri Public Service Commission. An increase in natural gas and electric rates led to an increase in revenues in FY06 that are projected to continue in FY07. Some of these increases were offset in part by the continued decline in telephone franchise gross receipts.

**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual FY05</b>	<b>Revised Estimate FY06</b>	<b>Projected Receipts FY07</b>	<b>Percent Change</b>
<b>SPECIAL AND OTHER FUND REVENUES:</b>				
Local Use Tax Fund	\$24,748,254	\$25,800,000	\$25,800,000	0.0%
Fund Balance	5,293,174	1,007,727	2,963,000	194.0%
	30,041,428	26,807,727	28,763,000	7.3%
Convention and Tourism Fund				
Restaurant Gross Receipts Tax (1%)	4,054,939	4,308,000	4,461,000	3.6%
	4,054,939	4,308,000	4,461,000	3.6%
Convention and Sports Facility Fund				
Hotel and Motel Sales Tax (3.5%)	5,278,020	5,815,000	5,990,000	3.0%
	5,278,020	5,815,000	5,990,000	3.0%
Assessment Fund				
Real Estate Tax	1,518,506	1,557,100	1,564,000	0.4%
State Reimbursements	337,625	809,486	839,000	3.6%
Other	88,793	112,000	133,000	18.8%
General Fund Subsidy	1,259,000	1,459,000	1,700,000	16.5%
Fund Balance	0	0	0	
	3,203,924	3,937,586	4,236,000	7.6%
Miscellaneous Special 1116 Funds				
Forest Park Fund	1,253,365	3,400,000	4,000,000	17.6%
Child Support Unit	1,522,128	1,900,000	1,900,000	0.0%
Street Excavation Fund	328,068	375,000	375,000	0.0%
Port Authority (incl. gaming lease)	3,100,436	2,491,720	2,552,720	2.4%
Building Commissioner - Lead Remediation	1,574,081	1,752,000	1,860,000	6.2%
Building Commissioner - Bldg. Demolition	1,931,543	2,109,000	2,217,000	5.1%
Police Officer Training Fund	69,105	100,000	100,000	0.0%
Communicable Disease - Immunization Fund	19,785	0	0	
Health Division - Other Special Revenue	513,097	50,000	50,000	0.0%
Equitable Relief from Utility Tax	46,747	75,000	75,000	0.0%
Battered Persons Shelter Fund	101,880	150,000	150,000	0.0%
BPS Special Project Funds	0	220,000	200,000	-9.1%
Other Special Revenue Funds	385,635	1,569,716	1,445,000	-7.9%
Fund Balances	0	300,000	0	
	10,845,870	14,492,436	14,924,720	3.0%

**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual FY05</b>	<b>Revised Estimate FY06</b>	<b>Projected Receipts FY07</b>	<b>Percent Change</b>
<b>Communications Fund</b>				
Cable Television Gross Receipts Tax	1,664,471	1,700,000	1,700,000	0.0%
Fund Balance	0	0	100,000	
	1,664,471	1,700,000	1,800,000	5.9%
<b>Lateral Sewer Fund</b>				
Tax receipts and interest	2,772,222	2,750,000	2,750,000	0.0%
Fund Balance	0	250,000	250,000	
	2,772,222	3,000,000	3,000,000	0.0%
<b>Riverfront Gaming Revenues (excl. Port lease)</b>				
Adjusted Gross Receipts Tax (@ 2%)	1,437,466	1,300,000	1,300,000	0.0%
Admissions Tax (@ \$1)	3,585,735	3,300,000	3,300,000	0.0%
Interest	2,903	20,000	20,000	
Fund Balance	0	0	0	
	5,026,104	4,620,000	4,620,000	0.0%
<b>Government Grant Fund Revenues</b>				
St. Louis Agency on Training & Employment	15,952,133	8,275,000	8,700,000	5.1%
Police Department Grants	6,067,614	5,865,000	6,140,000	4.7%
Community Development (admin. portion)	5,897,026	5,955,000	5,400,000	-9.3%
Other Government Grants	30,158,374	35,274,000	32,669,000	-7.4%
	58,075,147	55,369,000	52,909,000	-4.4%
<b>Capital Improvements Funds</b>				
1/2 Cent Sales Tax	16,725,077	17,150,000	17,309,000	0.9%
Metro Parks Sales Tax	1,535,800	1,575,000	1,589,000	0.9%
Gasoline Tax	600,000	625,000	630,000	0.8%
Previous Year Surpluses	80,000	0	4,058,000	
Income From Sale Of City Assets	936,772	850,000	300,000	-64.7%
Transfers from General and Other Funds	9,470,000	5,583,338	9,722,000	74.1%
Courthouse Restoration Funds	1,344,971	1,500,000	1,500,000	0.0%
Previous Appropriation Rollover	2,600,000	450,000	0	-100.0%
Lease Debt Refunding Proceeds	0	0	300,000	
Release Deposits for CABs funded Projects	0	2,138,147	0	
Interest Earnings	76,304	60,000	60,000	
	33,368,924	29,931,485	35,468,000	18.5%
<b>Debt Service Fund</b>				
Property Taxes	5,922,562	5,675,000	5,675,000	0.0%
	5,922,562	5,675,000	5,675,000	0.0%

**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual FY05</b>	<b>Revised Estimate FY06</b>	<b>Projected Receipts FY07</b>	<b>Percent Change</b>
Tax Increment Financing	4,722,624	1,460,000	1,184,000	-18.9%
Trustee Lease Fund - Interest & DSR Earnings	1,792,669	873,600	872,000	-0.2%
Mail Services Internal Service Fund	532,940	835,000	810,000	-3.0%
Employee Benefits Funds	32,137,145	33,292,000	32,241,000	-3.2%
Fund Balance	0	0	0	n/a
	32,137,145	33,292,000	32,241,000	-3.2%
<b>Subtotal Special and Other Fund Revenues</b>	<b>199,438,989</b>	<b>192,116,834</b>	<b>196,953,720</b>	<b>2.5%</b>
<b>ENTERPRISE FUND REVENUES:</b>				
Water Division				
Net Sales of Water	40,111,850	41,535,000	41,540,000	0.0%
All Other Income	4,931,278	4,430,400	4,533,000	2.3%
	45,043,128	45,965,400	46,073,000	0.2%
Lambert St. Louis Airport				
Landing Fees	41,308,622	52,795,000	70,169,000	32.9%
Rents	35,944,755	31,919,000	28,792,000	-9.8%
Utilities and Charges	1,145,917	1,800,000	1,268,000	-29.6%
Concessions	19,588,741	23,974,000	22,894,000	-4.5%
Interest	6,179,372	6,019,000	4,197,000	-30.3%
Parking and Miscellaneous	12,325,343	14,096,000	15,358,000	9.0%
Pledged PFC Revenues	18,766,311	18,766,000	25,884,000	37.9%
	135,259,061	149,369,000	168,562,000	12.8%
<b>Subtotal Enterprise Funds</b>	<b>180,302,189</b>	<b>195,334,400</b>	<b>214,635,000</b>	<b>9.9%</b>
<b>Total Special and Enterprise Revenues</b>	<b>\$379,741,178</b>	<b>\$387,451,234</b>	<b>\$411,588,720</b>	<b>6.2%</b>

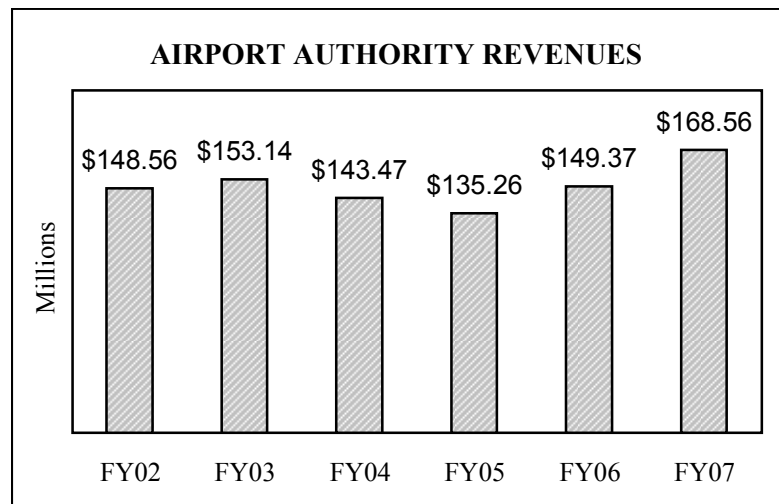
**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual FY05</b>	<b>Revised Estimate FY06</b>	<b>Projected Receipts FY07</b>	<b>Percent Change</b>
<b>Revenues Appropriated Separately:</b>				
Street Improvement Fund				
Motor Vehicle Sales Tax	796,937	755,000	755,000	0.0%
Franchise (Utility) Taxes	3,752,698	3,630,000	3,630,000	0.0%
Interest	15,903	15,000	15,000	n/a
	4,565,538	4,400,000	4,400,000	0.0%
Community Dev. Block Grants / Housing Grants (excluding admin. listed above)	27,971,252	28,657,000	25,410,000	-11.3%
Parking Division				
Meter Division Revenues	8,049,946	6,410,000	6,600,000	3.0%
Parking Facility Revenues	8,501,804	5,990,000	6,240,000	4.2%
	16,551,750	12,400,000	12,840,000	3.5%
Transportation Funds				
Transportation 1/2 Cent Sales Tax	16,725,581	19,201,000	19,201,000	0.0%
MetroLink 1/4 Cent Sales Tax	8,661,930	9,667,000	9,667,000	0.0%
Interest	11,842	0	0	n/a
	25,399,353	28,868,000	28,868,000	0.0%
<b>Total All Special and Other Fund Revenues</b>	<b>\$454,217,229</b>	<b>\$461,776,234</b>	<b>\$483,106,720</b>	<b>4.6%</b>

## AIRPORT AUTHORITY (Lambert-St. Louis International Airport)

### Definition

Airport revenue comes from Signatory Airline Fees, Concession Revenues, Interest Income and Parking fees, in addition to funds provided by the Federal Aviation Administration.



### Discussion

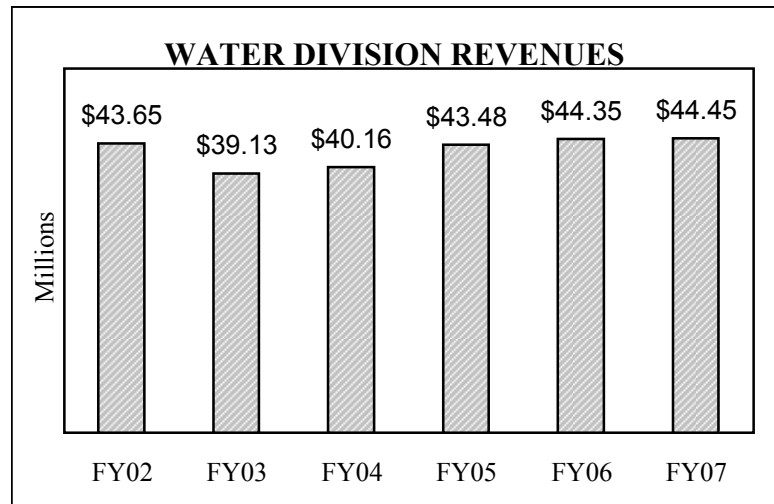
Lambert - St. Louis International Airport receives just over half of its operating revenues from signatory airlines in the form of landing fees and terminal rents. Signatory airlines are those airlines serving the Airport who have signed use agreements and include: American, America West, Continental, Delta, Frontier, Northwest, USAir, Southwest, Trans States and United. The Airport also receives revenues from concessions that operate on Airport property. Concession fees include revenues from the following activities: food & beverage sales, gift shops, coin devices, ground transportation, public parking, car rentals, space rental, in-flight catering and other concession revenues. Other revenues include non-signatory airline fees, cargo, hangar, tenant improvement surcharges, employee lot, gain on sale of investments and other miscellaneous revenues.

## WATER DIVISION

### Definition

Water Division revenues include sales of water to residential and commercial customers and to other jurisdictions, along with miscellaneous charges for service.

### Discussion

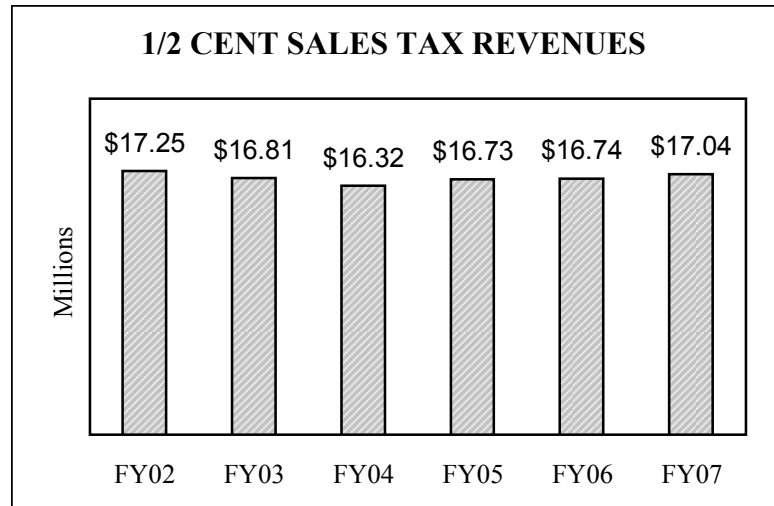


Revenues from net sales of Water include sales to flat-rate and metered customers and sales to other governmental jurisdictions. While the number of metered and unmetered customers has decreased reflecting the city's population decline, increases in the sales to other governmental jurisdictions has offset some of the decrease. The other miscellaneous income is mostly revenue from services the Water Division performs, such as repairing damaged fire hydrants or tapping water lines for new buildings and interest income from investments.

## 1/2 CENT CAPITAL SALES TAX

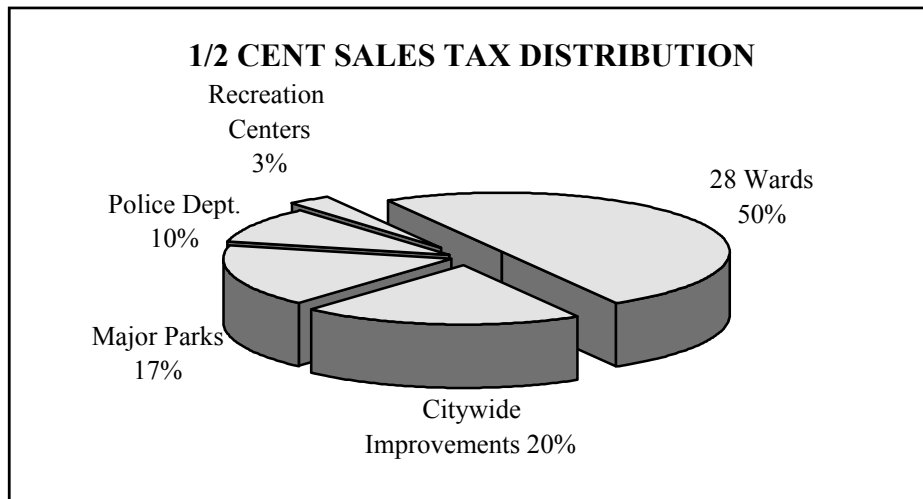
### Definition

A one half percent tax levied on retail sales in the City of St. Louis is dedicated to Capital expenditures. The sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.



### Discussion

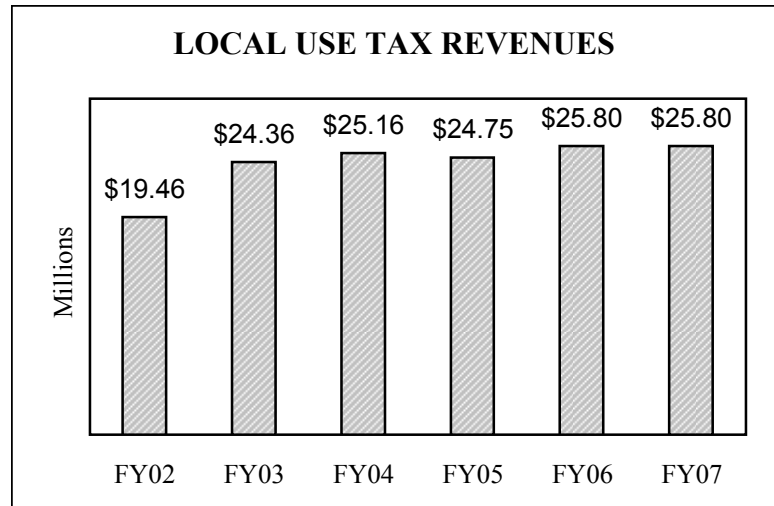
City voters approved the 1/2 cent sales tax for capital improvements in August, 1993. Projected revenue for FY07 is projected to total \$16.8 million. The City ordinance authorizing the 1/2 cent sales tax included a formula for allocating the proceeds among various capital spending areas. This allocation is illustrated in the pie chart below:



## LOCAL USE TAX

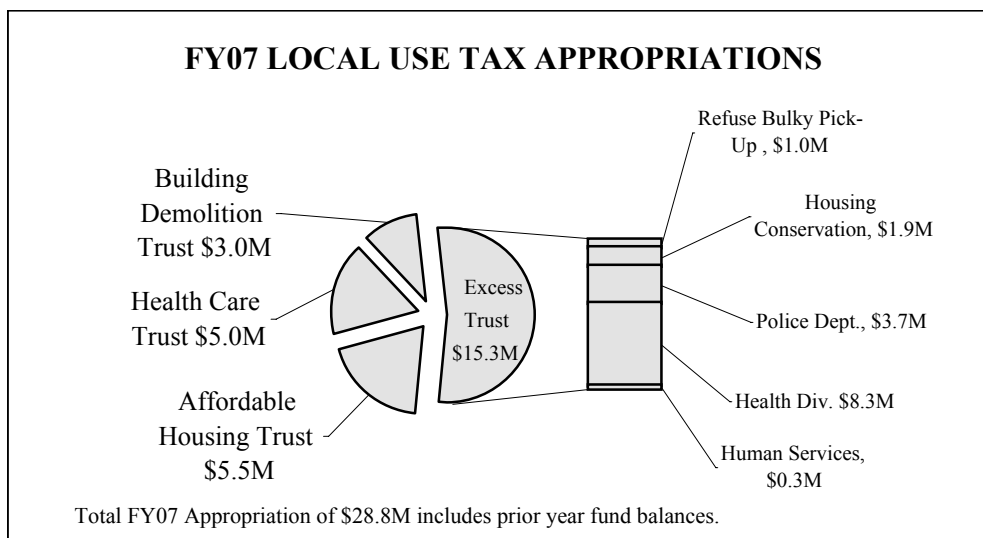
### Definition

The Local Use Tax is a tax applied, in lieu of the local sales tax, on transactions that individuals and businesses conduct with out-of-state vendors, including catalog and direct market sales. The current rate of 2.725% is equal to the total local sales tax rate imposed by the City.



### Discussion

City voters approved the current Local Use Tax in November, 2002. After some initial uncertainty as to the level of revenue that could be anticipated each year, the tax has generated revenue consistently in the \$24M to \$25M range. The FY07 estimate is \$25.8 million. The current tax replaced an earlier version approved a year earlier. The current City ordinance annually allocates \$5M each to the Health Care Trust Fund and Affordable Housing Trust Fund and \$3M for derelict building demolition. Amounts in excess of \$13M can be allocated collectively to any of the following: derelict building demolition, public safety, neighborhood preservation, development and preservation of affordable and accessible housing and public health care services.



## RIVERFRONT GAMING

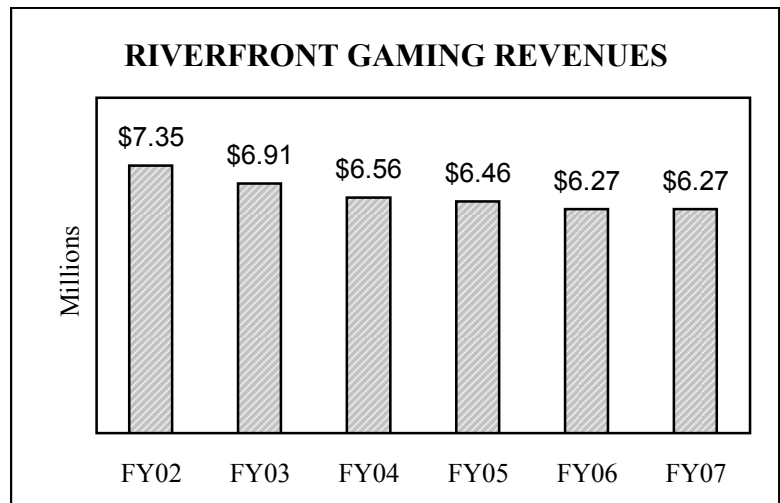
### Definition

Riverfront Gaming revenues come primarily from three sources:

- 1) the local share of the state gaming tax,
- 2) the local share of the state admissions tax, and
- 3) the lease agreement with the City Port Authority

### Discussion

Riverboat gaming on the St. Louis riverfront began in May, 1994 with the opening of President Casino's Admiral riverboat. The State of Missouri imposes a 20% tax on the adjusted gross receipts (AGR) of riverboat gambling facilities as well as a \$2 head tax on the number of admissions. By state statute, the City receives a 10% share of the state tax or 2% of AGR. The City is also entitled to one-half the state admission fee or \$1 per admission. The City receives an additional 2% of AGR through a lease between the riverboat operator and the City's Port Authority. Relocation to a more convenient location on the riverfront along with less restrictive boarding rules have allowed the city's only gaming facility to maintain a viable market share in the face of larger and newer competition in the metropolitan area.



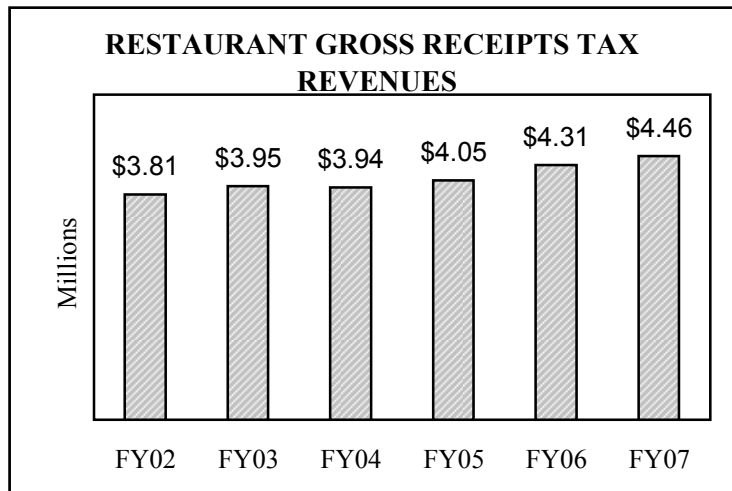
## RESTAURANT GROSS RECEIPTS TAX

### Definition

A 1% tax levied on the gross receipts of restaurants, excluding the sale of alcoholic beverages.

### Discussion

The 1% restaurant gross receipts tax serves as the source of revenue to the City's Convention and Tourism Fund. The fund was established to foster and promote the City's convention and tourism industry. Revenues from this source together with hotel tax receipts from the Convention and Sports Facility Fund are used to offset debt service payments on the Convention Center as well as minor subsidies to convention and tourism related organizations. Recent growth in restaurant gross receipts tax revenues is expected to continue in FY07, with the increase projected at 3.5%

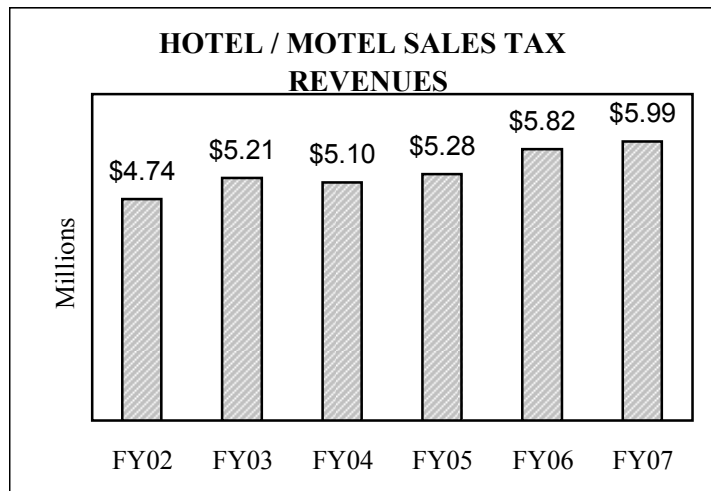


## HOTEL / MOTEL SALES TAX

### Definition

A 3.5% tax levied on the price of a hotel room.

### Discussion



The change from a flat amount per occupied room to a gross receipts based tax has provided the opportunity for this source of revenue to grow with inflationary increases in the cost of a hotel room. Hotel Tax receipts have exhibited consistent growth with the addition of hotel development in the downtown area. Proceeds from this tax are deposited into a Convention and Sports Facility trust fund and together with restaurant tax revenues are used to offset debt payments on the convention center. The City has added a significant number of hotel rooms in recent years adding to the growth of hotel tax receipts. Receipts are projected to increase 3% in FY07.